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With Clinton in Israel, Hyde Calls on Him to Quit Controversy Following President To Mideast

By John R. Harris
Washington Post Service

JERUSALEM — President Bill Clinton, appearing subdued and weary as the impeachment controversy shadowed his summit visit here, declared Sunday that he has never considered resigning, but added that he plans no campaign of personal appeals to legislators to save his office.

Questioned by Israeli journalists on the possibility of his resignation, he said: "It's never crossed my mind."

At a news conference with Prime Minister Benjamin Netanyahu, the unfolding drama in Washington over Mr. Clinton's fate dominated even the equally uncertain drama over whether the Mideast peace process can be salvaged. Even Israeli reporters pressed Mr. Clinton about the controversy, prompting Mr. Netanyahu to plead for questions about rescuing the troubled Wye River agreement between Israel and the Palestinian Authority.

"It's out of my hands," Mr. Clinton said of the House vote this week on whether he should be impeached and forced to face a Senate trial. "If any member wishes to talk to me or someone on my staff, we would make ourselves available to them. But, otherwise, I think it's important that they be free to make this decision and that they not be put under any undue pressure from any quarter."

Over the space of 30 minutes, Mr. Clinton was both resigned and defiant. In his first public comments on the House Judiciary Committee's action last week approving articles of impeachment, Mr. Clinton said he was "surprised by the action." "It's been obvious to anyone who is following it for weeks that the vote was foreordained."

At the same time, he rejected pleas by some uncommitted Republican House members and even some of his own advisers that he make a forthcoming statement acknowledging that he made false statements under oath in the Paula Jones lawsuit when he denied a sexual relationship with the former White House intern Monica Lewinsky.

"I can't do that because I did not commit perjury," said Mr. Clinton, adding: "Now, was the testimony in the deposition difficult and ambiguous and unreliable? Yes, it was."

Mr. Clinton did make an oblique reference to a public statement one of his own attorneys, Charles Ruff, made last week acknowledging that "reasonable people" could conclude that what Mr. Clinton intended as "soft" answers crossed the line into perjury.

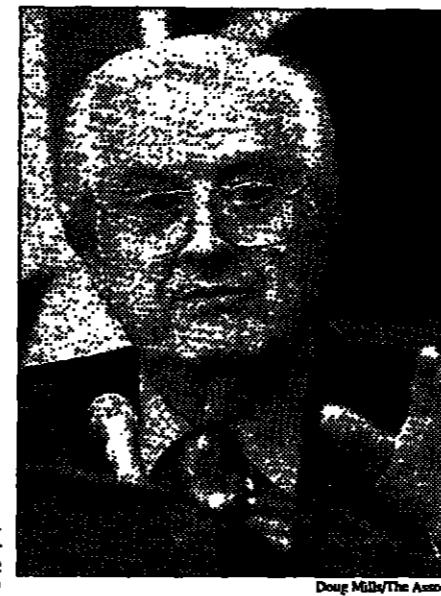
"I agree with what Mr. Ruff said about it," Mr. Clinton said. "I thought he did an admirable job acknowledging the difficulty of the testimony."

Mr. Clinton was pressed twice by Israeli journalists on whether he might follow the example of former President Richard Nixon, who resigned after the Judiciary Committee voted impeachment articles against him. To the first of

See CLINTON, Page 6



Representative Henry Hyde, chairman of the House Judiciary Committee: "I think the president should step down. It would be heroic if he did that. He would be the savior of his party. It would be a way of going out with honor."



President Bill Clinton, who laid a stone of remembrance Sunday on the grave of Yitzhak Rabin, said in Jerusalem: "I have no intention of resigning. It's never crossed my mind."

Resignation Was Never An Option, Clinton Says

By Brian Knowlton
International Herald Tribune

WASHINGTON — Representative Henry Hyde, the Republican chairman of the House Judiciary Committee, called Sunday on President Bill Clinton to resign, saying that it would be a "heroic" gesture allowing him to leave office "with honor."

"I think the president should step down," Mr. Hyde said on television. "It would be heroic if he did that. He would be the savior of his party."

Mr. Clinton, speaking earlier in Jerusalem, said Sunday, "I have no intention of resigning. It's never crossed my mind."

Under Mr. Hyde's chairmanship, the Judiciary Committee voted after bitter partisan debate to approve four articles of impeachment against Mr. Clinton — two of them alleging perjury, one obstruction of justice and one abuse of power. All stem from Mr. Clinton's efforts to conceal his relationship with Monica Lewinsky, a former White House intern.

After Democrats were overridden on each of those votes — and on an attempt to propose a censure of the president as an alternative to impeachment — their ranking member on the committee, Representative John Conyers of Michigan, likened the process to a "coup."

Mr. Hyde has long enjoyed wide respect from members of both parties. But he has made clear his support for impeachment and his dislike for Mr. Clinton's conduct. His words in the House debate are likely to carry some weight among the 20 or so undecided Republicans who hold Mr. Clinton rate in their hands.

Mr. Hyde said he would make the Republicans' opening presentation before the full House and probably the closing remarks as well.

He recommended resignation as "a quick and radical solution to the dilemma we face."

Thomas Mann, director of governmental studies at the Brookings Institution in Washington, called Mr. Hyde's call "irresponsible," coming as it did amid what is widely viewed as a partisan impeachment process and with the president abroad on a visit of state.

He suggested that Mr. Hyde's comments may reflect "a strategic motivation" in a sudden concern dawning on some Republicans that the process is spinning out of control and that if it reaches a Senate trial, angry voters — who condemn Mr. Clinton's personal behavior but support his presidency — might punish Republicans at the polls in 2000, throwing them back into the minority.

Only two other presidents, Andrew Johnson in 1868 and Richard Nixon in 1974, have come as far as Mr. Clinton now has down the perilous path toward removal from office.

The 435 members of the House of Representatives have been summoned to return to Washington for a historic

See ISRAEL, Page 6

A Peacemaker Finds the Moral High Ground

By Deborah Sontag
New York Times Service

JERUSALEM — President Bill Clinton may have left the United States on the heels of what one Israeli daily termed a congressional *intifada*, using the Arab term for uprising. He may have suffered a lukewarm greeting from a reluctant host, Prime Minister Benjamin Netanyahu. He may face very uncertain success rather than the triumphant celebration of peace originally envisioned.

But there is no question that Mr. Clinton is engaged in a critical salvage mission for the faltering peace

effort and that he has made himself an indispensable authority figure in the blood feud between the Israelis and the Palestinians.

It may seem a peculiar role for him at this moment, given his domestic troubles, but here Mr. Clinton is staking out the moral high ground.

On the eve of the Jewish holiday of Hannukah, a newspaper cartoon in the daily *Yedioth Achronot* depicted the American president as a burning candle who has come to "dispel darkness" — as did the Maccabees in the revolt commemorated by the Feast of Lights.

Indeed, when Mr. Netanyahu and Mr. Clinton ad-

dressed a convention hall filled with teenagers Sunday, they were a study in contrasts.

In a calm but defensive speech, laced with attacks on the Palestinians, Mr. Netanyahu made clear to the youth of his country the mistrust that underlies his commitment to the peace effort. He spoke of the supposed freedom with which Palestinians could roam through Israel, visiting Tel Aviv or the beach at Netanya. But, in contrast, he said, "Well, you can enter Gaza, that's for sure, but getting out of there, that's a different story."

Mr. Clinton, on the other hand, gave an uplifting,

New Chance for Schroeder

German Presidency of EU Offers Opportunity For a Success That Has Been Elusive at Home

By John Vinocur
International Herald Tribune

VISNNA — Barely a month into his first 100 days as chancellor of Germany, Gerhard Schroeder has been widely marked down at home for having made a mediocre start. Taking up Germany's six-month presidency of the European Union, Mr. Schroeder may now find the task of moving Europe ahead easier to

turn into what he can call a success.

ANALYSIS In Europe, Mr. Schroeder has laid out the goal of reaching a compromise, if not a complete resolution, of the future financing of the EU by March. After a weekend summit meeting here, the undertaking, however complex and conflictual, appears within reach largely because the community's leaders are determined to protect the introduction of the new single currency from being damaged by talk so divisive as to create a crisis in early 1999.

Mr. Schroeder, with the kind of clarity and self-assurance that his critics say

has been missing from his formulation of domestic policy, pledged that a solution would come "even if it is 3 or 4 in the morning" at a special summit meeting in Brussels in March.

If this is the case, by the end of Germany's six-month term in June, the EU should have a cost-agenda for its next six years, allowing for decisions on its expansion eastward, and the initial conceptual elements, in cooperation

EU leaders charting their war on unemployment. Page 5

with NATO, for its own autonomous security force, backed by a foreign policy that could offer the community a single external voice for the first time.

The circumstances bear a trace of irony. With the exception of a promised employment package, possibly containing notions of wage, tax and social harmonization that may clash with some members' views of competition and free

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THE AMERICAS

Solemnity and Uncertainty Settle Over Impeachment CaseBy Adam Clymer
New York Times Service

WASHINGTON — A touch of dignity and a heavy dose of uncertainty is surrounding the capital as what seems to be the only city in the United States that takes impeachment seriously looks toward a House vote on articles calling for President Bill Clinton to be removed from office.

While few are predicting the result with much confidence, there is one area of agreement — that the outcome depends on a dozen, or 20, maybe even 30, undecided members of the House of Representatives.

But that is where broad generalizations break down — as they have throughout this 11-month agony. The best example came Friday, when Mr. Clinton's latest apology speech was dismissed as a failure, because he did not say "I committed perjury" or "I lied" or even "I did not tell the truth."

Several Republicans said they might have been won over by such a confession and they were disappointed. But that hardly proves that other lines in the speech, the greater level of expressed sorrow and even the apology for putting the country through such a mess, did not matter, either by persuading some other member or by keeping someone on the fence.

For this process is now in a singular

stage, where hundreds of White House officials and reporters and politicians deal with a speech heard by several million people, and no more than 30 of the potential listeners matter.

They are individuals, and even friends who know them well do not know just what will move them when they have to vote this week. For some it might be an admission; others may still be wrestling over the strength of the evidence or whether the offenses alleged rise to a level demanding impeachment.

NEWS ANALYSIS One obvious example is Representative Robert Ney, who said after the speech that he was disappointed that Mr. Clinton had not said: "I didn't tell the truth under oath." But, the Ohio Republican said: "It didn't alter me in any direction."

Mr. Ney truly seems to be worrying about how he ought to vote, a position that leaves him vulnerable to a claim from the right which generally approves his conservative voting record. To him, this is a solemn occasion.

The House Judiciary Committee seemed to be grappling with solemnity Saturday, too, after days of debate in which opposing arguments were ridiculed as "smoke screen" or "shell game." Representative Charles Schumer, the Democratic senator-elect from New York, said an abuse-of-power count was so broad that its terms could

apply to George Washington and every president since him.

Representative Howard Coble, Republican of North Carolina, sometimes a fierce attacker, insisted, "I'll have knots in my guts next week when I cast my vote," and added, "I don't take this lightly at all." He said the last time he felt an issue so heavily was nearly eight years ago when he voted to send U.S. troops into combat in the Gulf.

But while the committee's often petty and almost always partisan and personalized consideration of the question may be weighed in history, it probably has no impact whatever on what comes next.

By now most members of the House have made up their minds on charges, either on the evidence or on their sense of political survival. In the insular world of the House of Representatives, few members really have to fear the other party.

Among the Republicans re-elected last month, for example, only 10 won with 52 percent or less of the vote. Among the Democrats, only five did.

But there are risks in going against your own party. One is the din of complaint from old supporters. Another is a possible primary challenger.

So the focus comes back to those 30 or fewer truly undecided members — most, but not quite all, of them Republicans.

Some Republican leaders seem sure that defections will be few enough that

they will win the impeachment vote. They are plainly trying to build momentum with a series of announcements from members who say they were previously undecided. Some were; some were just unannounced.

They count on pressure from the Republican base, and they sometimes use the argument that the vote is really inconsequential because the Senate will ultimately acquit the president.

For the White House and the Democrats, the issues are more complex. Their target is 11 more Republican defectors than Democrats who desert the president.

This White House has always had mixed relations with House Republicans and knows few of them well. It is hard to find a way to approach them directly. But there are some guarded hopes among those involved in preserving Mr. Clinton's presidency from impeachment and trial.

One belief is that most of the people who say they are undecided really are.

The second, more dubious hope is that the speaker-designate, Bob Livingston of Louisiana, will have to confront a group of fence-sitters demanding a chance to vote for censure, and arguing that without one they — and with them the Republican majority — are at risk in 2000.

But Mr. Livingston made it clear Saturday night that he would fight against

that option, and it is a fight he will very likely win.

Some of their hopes are even more uncertain. They maintain that the public will be alerted by the committee votes, angrily discovering that the impeachment that pundits so easily dismissed after the elections is real after all.

The White House hopes that such a suddenly intense unhappiness will be communicated to members. Once again, just as with the issue of how Mr. Clinton described his dubious statements about his affair with Monica Lewinsky on Friday, this is not something that can be measured on a national scale. If three old friends come up to one wavering Republican after church Sunday and were furious about impeachment, that could decide one vote.

But Washington's expectations about the country's mood have proved wrong all year long — and the polls that show the public does not want Mr. Clinton thrown out do not reflect much intensity. Among blacks, it is hard to locate pockets of dedication to Mr. Clinton.

Another argument to be used — and perhaps by the president if he is heard from again before the House vote — is that the country and the Congress should not be distracted from real business by the debilitating experience of a Senate trial, with the undertone that the exercise is pointless because everyone knows how it will come out.

POLITICAL NOTES**Livingston Digs In: Impeachment Only**

HAMMOND, Louisiana — Representative Bob Livingston, the incoming speaker of the House, said over the weekend that he adamantly supported impeachment of President Bill Clinton and would fight to prevent a censure resolution from a vote in the full House.

After the House Judiciary Committee voted Saturday night to bar a censure resolution offered by Democrats, Mr. Livingston said for the first time that he considered it to be an attack on the rules, and therefore an attack on the speaker and on the majority party. (NYT)

One Republican Who Is Pro-Censure

WASHINGTON — Representative Peter King, Republican of New York, has emerged as the leading Republican voice in Congress for punishing President Bill Clinton through some means short of impeachment.

He remains one of only five Republicans who have publicly said they would vote against impeachment, and is telling his party colleagues that they are driving themselves toward minority status by defying what he sees as the public's deep animosity toward impeachment.

"When we elect a Republican president," he said, "I just imagine some left-wing group or some liberal Democratic foundation sponsoring a lawsuit against the next president. I just envision payback time for the Democrats." (NYT)

Quote/Unquote

Barney Frank, Democrat of Massachusetts, a member of the House Judiciary Committee: "I am struck by those who have argued that censure is somehow an irrelevancy, a triviality, something of no weight. History doesn't say that. There are two members of this House right now who continue to play a role, who were reprimanded for lying: myself and outgoing Speaker Gingrich. We both were found to have lied under oath, but in official proceedings, and were reprimanded. I would tell you that having been reprimanded by this House of Representatives, where I'm so proud to serve, was no triviality." (WP)

IMPEACH: Resignation Advised

Continued from Page 1

debate. They are expected to vote Thursday, probably considering each article separately.

If a majority of members approves at least one article, the Senate will hold a trial, which a Republican leader indicated Sunday could last three or four months.

Sixty-seven of the 100 senators would have to vote to remove the president. That is considered unlikely. It would be a first in U.S. history since Mr. Johnson escaped conviction by one vote and Mr. Nixon resigned before the full House voted.

Republican leaders said again Sunday that the outlook in the House was too close to call. John Podesta, the president's chief of staff, said that "things are a little bit up for grabs." But House Democrats expressed scant confidence that the president would prevail there.

"Unless there is a fairly large outcry from the American people, the likelihood is that the House will vote for at least one article of impeachment," Representative Charles Schumer, Democrat of New York, said Sunday. He is a member of the Judiciary Committee and, as a senator-elect, could end up voting in a Senate trial.

Amid signs of rising public awareness of the dramatic stakes, phone calls, faxes and e-mails from citizens have been pouring into offices of House members. Phone circuits in part of Washington crashed Friday as thousands of viewers of the C-Span cable channel, which televised the Judiciary Committee's debate and vote, tried to register their opinions.

Opinion polls continue to show roughly two-thirds of Americans opposed to impeachment, while similar numbers favor censure.

Mr. Mann, a former executive director of the American Political Science Association, said of the impeachment process, "I think it's going to scare people in the country — it's just going to scare them something tremendous."

Asked whether Republicans might pay a price in 2000 for pushing impeachment, Representative Tom DeLay, the Republican whip and a leader of the impeachment push, shrugged off such talk.

"I really don't know," he said. "I don't really care. This is too important to worry about politics or a poll."

He reiterated his opposition to a censure vote, calling it unconstitutional and "a horrible precedent." The incoming speaker of the House, Representative Bob Livingston of Louisiana, explicitly joined him during the weekend by saying that he would not allow such a vote.

But the House minority leader, Representative Richard Gephardt of Missouri, said that Democrats would use a parliamentary maneuver in an attempt to propose censure and could succeed with the backing of a few Republicans.

Mr. Hyde suggested that Mr. Clinton could spare himself, his party and the country the agony of a Senate trial by resigning.

"It would save the country a lot of turmoil and tumult," he said.

"It would be a way of going out with honor," he continued. "If he doesn't, it's hard to predict what the consequences will be."

Mr. DeLay, a fierce critic of Mr. Clinton's, also urged him to resign.

Mr. Clinton sought Friday to defuse the impeachment drive by expressing, in a hastily called Rose Garden appearance, his willingness to submit to "rebuttal and censure."

But he declined to say that he had purged himself, as many Republicans have insisted he must do, and he made his stance even clearer Sunday.

"I cannot admit to doing something that I am quite sure I did not do," Mr. Clinton said.

Away From Politics

Plummeting robberies and murders helped lower the number of U.S. violent crimes in the first six months of this year, extending a downward trend that began in 1992, the FBI said. It said robberies nationwide decreased 14 percent, while murders declined 8 percent from January through June, compared with the same period in 1997. (Reuters)

The first two building blocks of the international space station were due to be released into orbit after two astronauts completed their construction work



HUNGER STRIKE — Maria Emilia Marchi of Chile and eight other convicted kidnappers are being force-fed in São Paulo after a month on a hunger strike.

Governor Chiles of Florida, 68, Dies

Compiled by Our Staff From Dispatches

TALLAHASSEE, Florida — Governor Lawton Chiles, 68, a folksy Southern Democrat dubbed Walkin' Lawton for crisscrossing the state on foot in his first U.S. Senate campaign, died Saturday.

Mr. Chiles, governor for the last eight years, was found next to his cycling machine in the governor's mansion gymnasium. He apparently died of a heart attack, his chief of staff said.

Mr. Chiles was scheduled to leave office next month, to be succeeded by Jeb Bush, a Republican.

Lieutenant Governor Buddy MacKay, who lost to Mr. Bush last month in the race for governor, was sworn in Sunday to complete Mr. Chiles' term.

Known for his folksy wit, Mr. Chiles was remembered by friends and foes alike as a politician who thought on his feet and could make complex issues understandable to the people.

In a statement issued by the White

House from Israel, President Bill Clinton said: "Lawton never forgot the thousands of ordinary citizens he met as he walked the highways and backroads of his state whom he served so well. And they will never forget him."

Scores of mourners left candles, flowers, notes and cards at the wrought iron gate in front of governor's residence. Flags were lowered to half-staff at all state office buildings in honor of Mr. Chiles.

His political career started in 1958 when he was elected to the state House of Representatives at the age of 28. He was elected to the U.S. Senate in 1970 and served three terms, defeating an incumbent Republican for the governor's seat in 1990.

Mr. Chiles was a moderate, plain-speaking Democrat at a time when his state was becoming increasingly Republican.

He was a champion of children's and family issues, both as a U.S. senator, when he fought for Medicaid reform, and as state governor, when he

sought increased funding for prenatal care and childhood immunizations.

The greatest triumph in a 40-year career was winning a multibillion-dollar lawsuit against the tobacco industry. In February 1995, the state filed suit against the tobacco industry to recover billions of dollars spent on treating patients suffering from smoke-related illnesses.

After a long legal struggle, the tobacco industry agreed in August 1997 to pay Florida \$11.3 billion over 25 years. Mr. Chiles called the victory "the best fight of my life."

Mr. Chiles scored his most impressive election victory in his 1994 re-election as governor, when he stood alone in statewide races among large-state Democratic incumbents against a Republican tide, defeating Jeb Bush in the closest governor's race in Florida history.

Mr. Chiles survived on a voting coalition of blacks, retirees and the moderate middle class throughout his career, even in the ascendancy of Republicans. (AP, Reuters)

Morris Udall, 76, Liberal Voice In His 30 Years in Congress

The Associated Press

WASHINGTON — Former Representative Morris K. Udall, 76, a 30-year congressman who championed environmental causes and wryly lamented that he was too funny to be president, died here Saturday after a long struggle with Parkinson's disease.

A Democrat and member of one of Arizona's best-known families, Mr. Udall remained one of the most consistent voices of liberalism in the House, whatever the political winds sweeping the country.

Mr. Udall represents everything a lawmaker should be," President Bill Clinton said in 1996, when he awarded Mr. Udall a Presidential Medal of Freedom. "His work is a gift to all Americans." Mr. Udall was unable to attend the Washington ceremony because of poor health.

During the 1970s, he failed in two tries to win election as speaker of the House, and he ran unsuccessfully in 1976 as a liberal alternative to Jimmy Carter in the Democratic presidential primaries.

Known as "Mo," Mr. Udall was a Lincoln-esque figure with a self-deprecating wit and easy manner. He was in demand as a master of ceremonies at many Washington events, where his humor often was the highlight of an evening.

Last month, his son, Mark Udall, was elected to Congress from Colorado, and his nephew, Tom Udall, was elected to Congress from New Mexico.

Mr. Udall's health had deteriorated markedly in recent years as a result of arthritis and progressive worsening of Parkinson's disease. He announced his

decision to start a small show-business agency office in 1994.

Twenty-one years later — and a string of contracts with stars who included Edith Piaf, Judy Garland, Mario Lanza and Bob Hope — Lord Grade founded Associated Television, the first commercially funded channel to face the commercial competition of the BBC.

Lord Grade, who was knighted in 1963 and given a life peerage in 1976, never stopped working. His last movie, a weepy called "Something to Believe In," was made this year.

Through ATV and later companies, Lord Grade brought to millions a string of TV shows that became household names. They included "Jesus of Nazareth," directed by Franco Zeffirelli in 1973. His current company, The Grade Company, co-produced "Starlight Express" on Broadway in 1985.

The John D. and Catherine T. MacArthur Foundation, known for its "genius" grants, has named Jonathan Fanton, the president of the New School, in New York, as its president. Mr. Fanton, who will succeed Adele Smith Simmons in September, will be paid about \$400,000 a year. (NYT)

Lew Grade, 91, Television Tycoon

The Associated Press

LONDON — Lew Grade, 91, the cigar-chomping entertainment tycoon who founded Britain's first independent television company and whose projects included the TV series "The Saint" and the movie "On Golden Pond," died of heart failure Sunday in London.

Lord Grade, the son of immigrants from Ukraine, was raised in London's East End. He gave up an early career as a

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ASIA/PACIFIC

Thai Airport Had Shut Storm-Landing Guide

Compiled by Our Staff From Dispatches

SURAT THANI, Thailand — Equipment to allow aircraft to land safely in bad weather was removed from the airport here six months before a Thai Airways plane crashed Friday, killing 101 people, aviation sources said Sunday.

The plane, an Airbus A310-200, made two failed attempts to land in heavy rain at the airport in this southern Thai town and was attempting a third approach when it crashed into swampy land about three kilometers away and burst into flames. Forty-five people on board Flight TG361 survived.

Surat Thani airport's Instrument Landing System had been removed during construction work to extend its runway, according to an air-traffic control official at the airport.

A Thai Air Force pilot who flew into the airport Sunday said the removal of the system meant that pilots had to use a less accurate radio navigation system that relies on a visual sighting of the runway once the aircraft has descended to 500 feet (150 meters).

"The only system working at the airport is the radio system," he said, adding that in bad weather all pilots prefer the instrument Landing System over the radio system.

Survivors of the crash said the pilot had complained of poor visibility.

The air force pilot said that the radio

system guided the aircraft in a diagonal rather than straight approach to the runway, and that a visual sighting of the landing strip was needed to adjust the flight path for a straight landing.

All pilots, both civil and military, had been informed that the Instrument Landing System was not operating at Surat Thani and that they needed to rely on the radio system and runway landing lights, the air force pilot said.

The Thai Airways pilot had told passengers that if he could not land on his third attempt he would return to Bangkok.

Officials at the airport and at Thai Airways have declined to provide details of the navigation system except to say that the radio navigation system at Surat Thani was functioning normally.

Some of the survivors insisted that the Thai Airways pilot, Flight Lieutenant Pinit Wechasilpa, who was killed, should have headed for nearby Phuket or back to Bangkok instead of making a third attempt to land.

Andrew Sharrock, an Australian survivor who suffered gashes, bruises and a broken nose, also blamed pilot error for the crash.

"I was worried after the first landing attempt when the pilot pulled back hard and we went almost straight up," he said from his bed at a hospital in Surat Thani. "He did the same thing again on



Thai soldiers in mud to examine the wreckage of the Thai Airways plane that crashed near Surat Thani. (Vincent Thian/The Associated Press)

the second attempt. On the third attempt he just went too far, we were almost vertical."

The decision to attempt a third landing during a rainstorm appeared to contradict the air carrier's standing policy.

In June, when the airline announced it was phasing out the use of foreign pilots in favor of Thais, Chamlong Poom-

puang, deputy vice president of flight operations, said cockpit crews had been instructed to exercise great caution.

"Pilots have been told to divert to other airports if they have even the slightest hesitation over weather conditions at any airport, in Thailand or abroad," Mr. Chamlong said. "This means no landing in stormy weather. They've been told to

be passive and conservative; it's better to be safe than sorry."

The president of Thai Airways, Thammorn Wanglee, said families of the victims would receive \$100,000 in compensation, while the injured would have their medical bills paid for by Thai Airways and would receive 200,000 baht (\$5,555) in expenses. (Reuters, AP)

A Nervous ASEAN Will Approach China Over Expansion in Spratlys

By Michael Richardson

International Herald Tribune

HANOI — Southeast Asian countries, concerned that Beijing might be strengthening its claim to much of the South China Sea while they are preoccupied by financial crisis, will call for restraint and strict observance of international law in a high-level meeting with China this week, officials said Sunday.

Heads of government of ASEAN, the Association of South East Asian Nations, who will meet Monday before holding two days of talks, will raise the issue of China's occupation of Mischief Reef in the Spratly Islands with the Chinese vice president, He Jintao, on Wednesday, officials said.

The move follows the presentation of photographic evidence by the Philippines showing how China has expanded installations on the reef since 1995, when it first started building what it said were shelters for fishermen. The photo-

graphs were shown to the foreign ministers of the other eight ASEAN countries.

Officials at the presentation said Sunday the photographs showed clearly that a major expansion was under way, although it was not clear whether it was for civilian or military purposes. They said the facilities included platforms and extensive roofed buildings.

"What was a revelation to many of those who saw the photographs was the proximity of this reef to our main islands, and the size and number of the structures China has built," said the Philippine foreign minister, Domingo Siazon, who organized the slide presentation.

"There are now four sites on the reef with installations. If you connect them, you could have a fortress, like Gibraltar, or a five-star hotel for fishermen."

He said China could not continue making declarations of friendly intent toward Southeast Asia, while occupying the territory of other countries in the region.

"We really have to find a way of dealing with this issue," Mr. Siazon said. "The other ASEAN countries are also getting nervous because it's just too near. We don't want this to be a confrontation. What we are looking for is a cooperative, multiparty approach that will lead to a peaceful solution."

Other officials said that ASEAN wanted to register its concern to Beijing without upsetting cooperation in other areas, including measures to help the region recover from the financial contagion. China has been praised for resisting pressure to devalue its currency. A devaluation by China could trigger competitive devaluations in East Asia.

China, Taiwan and Vietnam claim sovereignty over the whole of the Spratlys — a largely uninhabited chain of islands, atolls and reefs scattered over a large area of the South China Sea. The Philippines, Malaysia and Brunei claim only those parts of the Spratlys closest to their territory.

"It's a potential flash point," said Surin Pitsuwan, the Thai foreign minister. "Therefore, it's of concern to all of us in ASEAN. We can't afford to have a security crisis on top of the economic crisis in the region."

Brunei, the Philippines, Malaysia and Vietnam are members of ASEAN, along with Burma, Laos, Indonesia, Singapore and Thailand.

The Spratlys are important because whoever controls them would be close to key sea lanes through the South China Sea. The area covered by the various Spratly claims also contains valuable fishing grounds and extensive reserves of oil and natural gas. All the claimants, except Brunei, maintain armed garrisons on the islands they occupy.

Mischief Reef was the focus of repeated diplomatic clashes between Manila and Beijing since China occupied the reef four years ago.

Last month, the Philippine Navy seized 20 Chinese fishermen and their

boats near the reef, which is only 185 nautical miles west of the Philippines. It is many times that distance from Hainan Island, the most southerly undisputed Chinese territory in the South China Sea.

Mr. Siazon said that under the United Nations treaty governing the seas, Mischief Reef was within the exclusive economic zone of the Philippines.

"Of course, China claims sovereignty," he said. "But unless you accept its claim that nearly the whole of the South China Sea is Chinese internal waters, you cannot justify that position, and nobody's buying it."

In a report to the ASEAN leaders, the group's foreign and economic ministers said that despite "positive developments" in relations between Beijing and ASEAN, China had "undertaken a number of actions that were not in accordance with the recognized principles of international law," in particular the 1982 UN treaty on the Law of the Sea.

Seoul and U.S. At Odds Over Joint Battalion

By Don Kirk
International Herald Tribune

SEOUL — The mysterious death of a South Korean Army officer has touched off a debate here between U.S. and South Korean forces over who should command a joint battalion at the critical crossing between South and North Korea.

The United States and South Korea agreed Sunday to form a joint team to investigate the killing, while the top U.S. commander in South Korea, General John Tidelli Jr., rebuffed South Korean suggestions that Seoul completely take over the battalion of 150 troops.

General Tidelli, as commander in chief of the United Nations Command, which includes South Korean and U.S. troops, said he was "committed to the combined structure of the joint security battalion" at the truce village of Panmunjom.

The decisive nature of the statement reflected U.S. concern about a rift between U.S. and South Korean forces stemming from the apparent suicide of a South Korean Army lieutenant in February. The South Korean Army has reopened the investigation amid claims that a South Korean soldier may have killed the lieutenant to cover up illegal contacts with North Korean troops.

General Tidelli promised to cooperate with the investigation, but his headquarters issued a statement that sharply rejected South Korean efforts at disputing the initial verdict that Lieutenant Kim Hoon had killed himself.

The previous investigation by U.S. and South Korean forces "reviewed and thoroughly examined the evidence" and found that Lieutenant Kim "died of self-inflicted gunshot wound," the statement said.

The UN Command statement came amid a sharp debate here, in the National Assembly and the media, regarding the lieutenant's death and its implications.

"The defense minister is suspected of a cover-up after a hasty and shoddy investigation," said Yonhap, the semi-official news agency.

But the UN Command insisted that it had received "no evidence that would cause it to question the results" of two earlier investigations into the killing.

General Tidelli's response defended the role of U.S. and South Korean forces on the most sensitive military front line in Asia. The joint battalion covers the southern side of a 50-hectare (124-acre) zone known as the Joint Security Area, set up under the armistice that ended the Korean War in July 1953. North Korean troops hold the northern side.

Filipinos Scent a Revival of Cronyism

New President's Attitudes Toward the Rich Raise Fears of Corruption

By Mark Landler
New York Times Service

The Philippine Inquirer. Her admission left officials here flummoxed, since they have spent more than a decade fruitlessly prosecuting the Marcos family.

Advisors to Mr. Estrada denied that the president was engaged in Marcos-style cronyism. They said his critics were distorting his well-intended gestures to undermine his credibility.

"In the first place, crony capitalism only thrives in an autocratic or dictatorial government," said Edgardo Espiritu, the finance secretary and one of Mr. Estrada's closest advisers. "In a system that is democratic, everyone must compete in a field that is supposed to be level."

Mr. Espiritu acknowledged that Mr. Estrada had befriended some tycoons. But he added: "You may be a friend of the president, you may be a friend of politicians. But if you want to survive in the field, you have to be efficient, and you have to be ready to compete."

Mr. Estrada's ties with wealthy businessmen contrast with his careful cultivation of an image as friend of the common man. Even on screen, the 61-year-old former actor often played Robin Hood characters.

With his generous paunch, garbled diction and Elvis Presley-style coiffure, Mr. Estrada put off many affluent, edu-

cated voters. But those same qualities made him a hero to poor voters.

Even now, rank-and-file voters maintain that Mr. Estrada is looking out for them. The president's approval ratings are among the highest of any Filipino leader and have not been damaged by charges of cronyism.

"My dedication to the poor will be unwavering," Mr. Estrada said in an interview last month at the Asia-Pacific Economic Cooperation summit meeting in Malaysia. "But I would say that although we are pro-poor, we are not anti-rich. We are pro-business because I believe business leads to growth."

Indeed, political strategists here said Mr. Estrada's campaign was financed by some very rich business leaders, notably Mr. Tan and Mr. Cojuangco.

It is difficult to determine exactly how much they contributed, because laws on disclosing campaign contributions are riddled with loopholes.

It is clear that Mr. Tan has easy access to the president. During the summit meeting in Malaysia, Mr. Tan hovered at the back of the room while Mr. Estrada gave interviews to the foreign news media.

"He owes Lucio Tan a lot of favors," said Alexander Magno, president of Manila research group Foundation for Economic Freedom.

BRIEFLY

Mahathir Puts Off Naming of Deputy

KUALA LUMPUR — Prime Minister Mahathir bin Mohamad of Malaysia said Sunday that he had not decided on appointing a new deputy, though many senior leaders in his political party wanted him to do so soon.

Mr. Mahathir's United Malays National Organization ended a daylong meeting without discussing the naming of a deputy prime minister, who also traditionally serves as the party's deputy president.

The post has been vacant since the dismissal in September of Deputy Prime Minister Anwar Ibrahim, who was also ejected from the party. He is on trial on charges of corruption and sodomy.

"Everyone has been rooting for him to succeed," said Sergio Osmeña, a member of the Philippine Senate who was jailed by Mr. Marcos. "But sometimes you neglect moral principles in paying back debts."

Adding to the fears of resurgent cronyism is the strange case of Imelda Marcos, the widow of Mr. Marcos. After denying for more than a decade that she and her husband had plundered the country, Mrs. Marcos unexpectedly announced last week that she intended to sue several Marcos cronies to recover more than \$12 billion in assets that she said her husband amassed during his presidency.

"We own practically everything," Mrs. Marcos said in an interview with

aimed at reviving their economies.

Mr. Hun Sen arrived in Hanoi on Sunday for a state visit. An official source said he had tentatively scheduled meetings for Monday with the leaders of six ASEAN countries.

Foreign and economic ministers ended talks Sunday on steps to stimulate their economies. But they provided little public information on a plan that was to be presented to ASEAN leaders.

(Reuters)

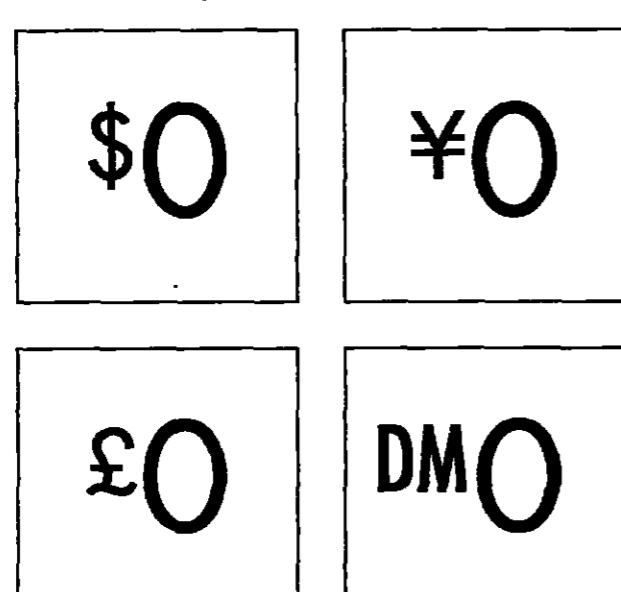
Indonesian General Defends New Militia

JAKARTA — The chief of the armed forces defended a plan to establish a militia, saying Sunday that it was needed to uphold law and order while Indonesia struggled with political change.

The commander, General Wiranto, said that about 40,000 people would be recruited starting in January. Militia members are to have the power of arrest and will be equipped with clubs, riot shields and handcuffs.

The general said weeks of protest had stretched the resources of the military and police forces. "The level of disturbances has reached a level that's beyond tolerance," he said. (AP)

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EUROBYTES

EUROPE

EU Leaders Aim to Firm Up Attack on Joblessness but See No 'Magic Wand'

By Barry James

International Herald Tribune

VIENNA — Prime Minister Goran Persson of Sweden said he recognized the style of the final communiqué of the two-day summit meeting of the European Union. "It reads like excerpts from a Social Democratic Party congress in Sweden."

The imprint of the center-left, which now governs most of the EU, was all over the 50-page document, particularly in its call for a pact to reduce unemployment — now averaging nearly 10 percent in the Union — with clearly identifiable and measurable goals.

But there were no specifics, no extra money and nothing to explain how the pact would go beyond the present joint agreement on employment, reached in Luxembourg a year ago, by which gov-

ernments agreed to submit their jobs programs to peer review. And it will still be up to the countries, rather than the Union, to tackle the unemployment problem.

As Chancellor Gerhard Schroeder of Germany said, jobs could not be created through the push of a button in Brussels.

Chancellor Viktor Klima of Austria said the EU countries were not pretending that they had found "a magic wand" to reduce unemployment. But he said they could achieve more through a carefully coordinated package of measures."

The communiqué urged the 15 members "to define policies and set themselves additional quantified targets and deadlines at national level wherever possible." The leaders said they hoped to have a comprehensive program ready

for their next regular summit meeting, in Cologne in June.

The unemployment problem hangs like a pall over a continent that is otherwise celebrating the prospect of a successful introduction of the EU single currency in two weeks. Resolving the unemployment problem is the top priority of the European Union, the leaders said.

They pledged special programs to create employment opportunities for the young and for women. This could include a French proposal to reduce value-added tax on some services, such as child care.

The leaders handed to Germany, which will take over the rotating presidency of the EU in January, the task of shepherding through an agreement on a budget for the first five years of the next century.

This is a huge venture, involving review of many of the EU's fundamental treaties, including its Common Agricultural Policy and its structural and cohesion funds, which are designed to help poorer members catch up with richer ones.

Germany pays \$13 billion more into the EU budget than it gets out, and it is demanding that its contribution be radically reduced.

But other countries are resisting an agreement that would see any reduction in their benefits, such as the budget rebate that former Prime Minister Margaret Thatcher obtained for Britain in 1984.

The rebate is worth \$3.3 billion this year, and the Dutch prime minister, Wim Kok, said it was "not a taboo." But Prime Minister Tony Blair of Britain said the rebate was not negotiable.

Until it sorts out its financing, the EU cannot move ahead with accepting new members. Former Chancellor Helmut Kohl of Germany, whom the leaders named honorary "citizen of Europe" for his efforts toward unification, warned against breaking promises to former Communist-ruled countries that they could eventually join the EU.

But the government chiefs said that in 1999 they would intensify negotiations with the six countries accepted for entry in a first stage of enlargement — Poland, Hungary, the Czech Republic, Estonia, Slovenia and Cyprus. They rejected proposals to bring other countries, such as Slovakia, Lithuania and Latvia, into the fast lane, despite economic and political reforms in those countries.

The leaders urged East European countries waiting to join the EU to crack down on racism and to educate people about the Holocaust. Mr. Persson said this was an "incredibly important" issue in countries such as Poland and Lithuania.

The leaders agreed that they would seek a budget agreement at a special summit meeting in Brussels in March. Although their starting positions were far apart, the leaders said they had found "a measure of common ground" toward equipping the EU "with more effective policies and an appropriate financial framework within which to develop them."

Mr. Schroeder said that "the stronger countries know they have to help the weaker ones, but the weaker ones know they cannot overburden the strong."

Foreign Minister Wolfgang Schüssel of Austria said he was not dismayed at a failure to reach an agreement in Vienna.

"Premature births are not the easiest," he said. "We are hoping for a happy event in March, the birth of a healthy baby."

The leaders said adoption of a harmonized European tax system was not on the agenda in Vienna, but they agreed to push ahead with coordinating taxation of interest on savings accounts and eliminating discriminatory loopholes in corporation tax.

Britain is fiercely opposed to a proposal to impose a withholding tax of 20 percent on savings held by nonresidents in EU countries. It says that such a move would devastate the Eurobond market in London.

The leaders issued a fuzzy "no" to a British-led attempt to retain duty-free shopping for travelers within the EU. In accordance with a 1991 decision, duty-free shops are to be closed by July 1.

The communiqué said finance ministers would seek "possible means for addressing those problems which may arise with regard to employment" because of the closing of stores.

Jacques Santer, the president of the European Commission said this could include "a limited extension of the transitional arrangements," meaning that there could be a stay of execution for a period of a few months in certain ports.

Mr. Santer said, however, that the leaders "have not questioned" the decision to end duty-free sales.

Several countries, including Denmark, Sweden, Italy, the Netherlands and Belgium, said they would not agree to reverse the 1991 decision. To do so would have required unanimity, so if it appeared that the duty-free lobby, one of the most vocal in Brussels, had failed in its attempt to save a business that many regard as an anomaly in a single market.

Pressure Is on Milosevic**U.S. Moves to Loosen His Grip on Yugoslavia**

By Steven Erlanger

New York Times Service

WASHINGTON — The United States, trying to plot an eventual end-game to its military involvement in the countries that once were part of Communist Yugoslavia, is moving to undermine President Slobodan Milosevic's tight control over Yugoslavia, senior U.S. officials say.

U.S. officials have toughened their tone against Mr. Milosevic in recent days and are openly supporting the democratic government in Montenegro, a part of Yugoslavia that Mr. Milosevic has hinted he might move against.

Mr. Milosevic's political grip has weakened because of his mishandling of the rebellion in the southern Serbian province of Kosovo, U.S. officials say. But they flatly deny reports of some covert or even overt plan to oust Mr. Milosevic, saying that his fate is up to the Serbian people and that he remains an important actor in Western efforts to keep the peace in Bosnia and Kosovo, they say.

The officials were speaking after a series of high-level meetings of the administration's national security team, with the special envoy Richard Holbrooke taking part by a secure video link.

While they argue that the essence of U.S. policy — support for the democratization of the region — has not changed, they concede that the U.S. tone about Mr. Milosevic has hardened.

"There is a generalized feeling now throughout the administration that Mr. Milosevic is the problem in the Balkans, and less vital for the solutions," a senior U.S. official said.

In Brussels on Tuesday, Secretary of State Madeleine Albright called on the NATO alliance to find "an appropriate way to support the democratic aspirations of the Serb people," who "have been silenced and shackled for too long."

Her spokesman, James Rubin, said last week: "Milosevic has been at the center of every crisis in the former Yugoslavia over the last decade. He is not simply part of the problem — Milosevic is the problem."

But while urging democracy in Yugoslavia, the officials have not called for Mr. Milosevic's removal and are wary of a further breakup of the country, which is now made up of the dominant Serbia and Montenegro.

"We're not supporting the secession of Montenegro, which the Montenegrins themselves don't advocate," an official said. "That could produce another unraveling in Europe, starting with the Bosnian Serb republic."

Despite Mr. Milosevic's weaker position now, he will主持召开 rallies of 200,000 people calling for his ouster two years ago, and today the democratic opposition is splintered badly, making its repression easier. The officials are concerned that Mr. Milosevic could be replaced by someone worse, like the fanatical Serbian nationalist Vojislav Seselj.

In September a slightly moderate Serbian nationalist, Biljana Plavšić, whom Washington supported, was defeated by a harder-line Serb, Nikola Poplašen, in the Bosnian Serb republic.

Washington has decided to do its best to protect Montenegro and to revive support for a democratic opposition in Serbia itself, even as Mr. Milosevic has moved to crush it.

Last week, for instance, the State Department welcomed a number of Serbian democrats and news media figures who have been attacked by Mr. Milosevic.

including Slavko Curuvija, publisher of the newspaper *Dnevni Telegraf*, which Mr. Milosevic shut down Oct. 12 but which has been revived and publishes from Montenegro. They also testified at a hearing in the House of Representatives before the Congressional Commission on Security and Cooperation in Europe.

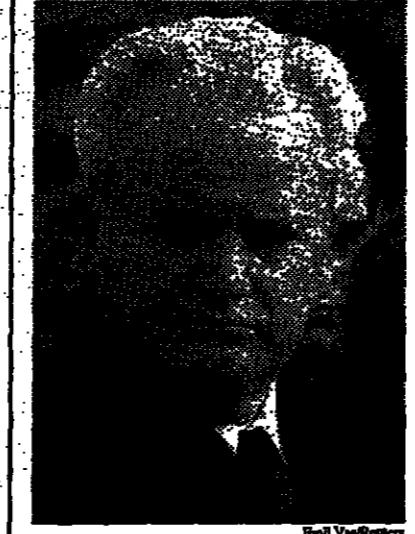
Mr. Milosevic has used the new U.S. oratory "to circle the wagons," a European diplomat noted, drawing closer to old-timers and cracking down harder on the independent news media, much of which has withdrawn to Montenegro.

The administration hopes to roll out an explicit program at the beginning of the year, the officials said, which will include aid to independent news organizations, academic institutions and civil organizations, many of which Mr. Milosevic has been trying to repress in Serbia.

Washington will also direct further support to Montenegro, whose president, Milo Djukanovic, has been diverging from Belgrade and Mr. Milosevic and providing a haven for a number of Serbian academic institutions, as well as news organizations.

"There has been real progress toward democracy and economic freedom in Montenegro, and we want to support them any way we can," a senior U.S. official said. "It's also a way to show the Serbs in Belgrade, who are watching, that we are not anti-Serb per se, which is what Milosevic always claims."

The United States is currently spending about \$15 million a year, including



Mr. Milosevic warned NATO forces not to cross into Kosovo.

\$2 million for independent television, to promote democracy in the Federal Republic of Yugoslavia, which includes Kosovo. There, Washington hopes to help independent news organizations in preparation for hoped-for elections for a local parliament.

Also early in 1999, the administration will make public posters and publicity for a new "bounty" of \$5 million a head for the capture of accused war criminals in the region, including Kosovo — money pushed on the executive branch by Congress, in particular by Benjamin Gilman, Republican of New York, who is chairman of the House International Relations Committee.

Among the targets of such a bounty are the former Bosnian Serb political leader, Radovan Karadzic, and his mil-

itary commander, General Ratko Mladic. Both men have been indicted by an international war crimes tribunal for the former Yugoslavia but have not been arrested by NATO-led forces in Bosnia. The two men are believed to be living in Serbia, officials said.

But the details for such a bounty program are still being worked out, especially with the Justice Department, officials say. The program will be run from the office of Robert Gelbard, who is in charge of carrying out the Dayton Accords that halted fighting in Bosnia, and the secretary of state will determine who qualifies for any reward.

The administration continues to press negotiations to find a political solution to the conflict in Kosovo, between the ruling Serbs and the ethnic Albanians over who makes up about 90 percent of the province's population.

But Mr. Holbrooke and the chief U.S. negotiator, Christopher Hill, have had difficulty getting a coherent political response from the badly divided ethnic Albanians. The essence of the problem is that the United States and the West want a solution — enhanced autonomy for Kosovo within Serbia — that is favored by neither the Serbs nor the population of Kosovo.

Increasingly, urged on by the Kosovo Liberation Army, the ethnic Albanian residents of the province want independence, while the Serbs are reluctant to grant any real autonomy, let alone an enhanced autonomy beyond the status Mr. Milosevic removed from Kosovo in 1989.

BRIEFLY

Nestle Ads Attack Cake Saboteurs

ROME — The Swiss food giant

accused animal rights activists Sunday of spoiling everyone's party by poisoning two traditional Italian Christmas cakes and sought to repair the damage by handing out slices free.

"They've ruined the party for everyone," Nestle said in a full-page advertisement in major Italian newspapers.

The extremist Animal Liberation Front last week sent two boxes of panettone to the Italian news agency ANSA in Bologna and Florence claiming to have poisoned packages of Nestle's Motta and Alenagna brands of panettone in several supermarkets.

The cakes were quickly removed from the shelves as a precaution, and magistrates said checks on the two sent to the agency revealed they contained rat poison.

The Animal Liberation Front took responsibility in a statement on an Internet site.

"What we are most concerned about at the moment is to reassure Italians that, apart from the two panettone sent to ANSA in Florence and Bologna, no other packages have been tampered with," Nestle said in its advertisement. (Reuters)

commander of leading the kidnapping that murdered four Western hostages last week.

They also called for a mobilization of armed forces to help protect the government.

Appearing on local television, monitored by the Itar-Tass news agency in the Chechen capital, Grozny, late Saturday, the Chechen deputy prime minister, Turpal Atayev, said Arbi Barayev had led the band that killed three Britons and a New Zealander.

Another Western hostage, Vincent Cochetel, a French UN refugee agency worker, was freed unharmed in a raid Saturday by Russian commandos in the neighboring region of Ingushetia. He returned to Geneva overnight.

(Reuters)

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INTERNATIONAL

Lawyers in First Smoking Settlement Win \$8.2 Billion in Fees

By Barry Meier

New York Times Service

NEW YORK — The lawyers who represented the first states to settle with the tobacco industry over health care costs have been awarded \$8.2 billion in fees, the richest legal payday in U.S. history.

The money, which will be divided among dozens of lawyers who represented Florida, Mississippi and Texas, is the first to result from a series of tobacco cases that culminated last month in a \$206 billion settlement between tobacco companies and 46 states and 5 U.S. territories. That broader settlement, which did not include Florida, Mississippi and Texas, appears likely to produce billions more for plaintiffs' lawyers.

The three states settled their suits for a total of \$34.4 billion to be paid by cigarette makers over 25 years. The legal fees awarded Friday were determined by an arbitration panel set up under an agreement between tobacco producers and plaintiffs' lawyers. The panel also will be used to award legal fees from the larger settlement last month.

The fees will be paid by cigarette makers. The payouts will not affect the amounts received by the states.

Cigarette makers are likely to pass on the fees, like the rest of the recent \$206 billion settlement, to smokers.

In awarding \$8.2 billion, the arbitration panel gave the lawyers credit for taking the risks of being the first to test the legal strategy of suing the

tobacco industry to recover Medicaid costs related to smoking. And it awarded far less than some of the lawyers sought; five trial lawyers hired by Texas, for example, wanted \$25 billion for negotiating that state's \$17.3 billion settlement.

But the size of the awards — those five Texas lawyers will get about \$3.3 billion — quickly provoked criticism from legal experts, who said the huge recovery by the states did not justify traditional contingency-style rewards.

"Twenty-five percent of \$1 million is one thing," said Geoffrey Hazard, a professor of law at the University of Pennsylvania who earlier opposed payment of large fees to the Texas lawyers. "Twenty percent of \$1 billion is another thing."

In determining fees, the arbitrators started by awarding lawyers in the three states 10 percent of

their state's settlement. Then the panel multiplied those figures by 1.9 to 3.5 times depending on what it perceived to be the risks and work undertaken by the lawyers in each state.

Under those formulas, lawyers hired by Florida received about \$3.4 billion for reaching a \$13 billion settlement last year and lawyers for Mississippi got about \$1.4 billion for forging a \$4.1 billion settlement last year. The Mississippi lawyers got the highest percentage award, 33 percent, after the panel determined that they had taken the greatest risk by representing the first state to sue the tobacco industry, in 1994.

The situation of the three states was special because tobacco producers agreed not to argue against the lawyers. Industry lawyers said no such agreements exist with lawyers representing other states.

A Town's Fragile Peace Sets a Mideast Example

By Howard Schneider

Washington Post Service

NEVE SHALOM, Israel — Call it what you will — by the Hebrew name it carries on Israeli maps, by the Arabic "Wahat Salam," or by its English equivalent, "Oasis of Peace." This half-Palestinian, half-Jewish community of 32 families is anything but the gentle-touch kind of place of which the first lady, Hillary Rodham Clinton, spoke after a tour Sunday.

Founded 20 years ago as an exercise in co-existence, its residents remain adamant about sharing power democratically, educating their children bilingually and biculturaly, and providing what they call a "living demonstration" of cooperation between the two societies with historical claims to this part of the world.

"Peace begins at home, in our schools and in our hearts," Mrs. Clinton told

community members at the start of a day in which her husband tried to negotiate peace and she tried to highlight spots in the society where the idea has taken root.

But after the Ramadan lanterns and Hanukkah candles and Christmas lights are extinguished, the differences still roar.

During the Gulf War, as Scud missiles arced from Iraq into Jerusalem and Tel Aviv, shouting matches erupted in Neve Shalom's cramped communal bomb shelter, with Jewish residents shocked that Palestinians would not condemn President Saddam Hussein of Iraq, and Palestinians shocked that their Jewish neighbors so fervently supported the U.S.-led Gulf coalition.

On the Israeli Independence Day, there have been uncomfortable moments as Jews unfurled their patriotism and their blue Star of David flags, and Palestinians wondered how they should respond on a day known in their culture as "the disaster."

In short, nothing about this boathouse experiment in peace-building has led the two sides to forget themselves or their cultures or their emotions. Nothing has led to the conclusion that peace is easy work, a fact most knew when they accepted the challenge of living here.

"I don't say we don't have conflict. It is not all coming in the morning and giving hugs," said Abdessalam Najjar, a Palestinian Muslim who was among the original residents and is now the village's public relations director. "When it comes to the national conflict, the dynamics still occur."

What the town has done is prove that the two sides can negotiate the rough spots and still run a successful school, create a successful community and build a life together.

There are no illusions here about melting pots or assimilation or obliterating the centuries of conflict that have raged along the Ayalon Valley, a strategic path to Jerusalem that runs just below Neve Shalom's idyllic fury of bougainvillea and roses.

When the tensions mount, Mr. Najjar said, the two halves of this village's mosaic have become practiced at going their separate ways, finding space where each can vent its emotions. After that, he said, they can meet in an emotionally neutral way and listen to what the other has to say.

If Mrs. Clinton's visit here highlighted the hopes that led Father Bruno Hussar, a Dominican priest, to establish this place in the late 1970s, interviews with village officials and residents showed just how slender a foothold Neve Shalom has in Israeli society.

Funded in part by international grants, given land by a nearby Trappist monastery, the town has never had luck in its requests to the government for more acreage to expand.

On the other hand, plans are being laid for projects on either side of Neve Shalom that could obliterate it in a sea of new suburban housing.

Such developments, locals say, would probably make it impossible to maintain centerpiece projects, like an elementary school where Palestinian and Jewish co-principals share authority, and children have lessons every week in Hebrew, Islamic and Christian culture.

The Peace School, site of encounters sessions for high school students and Israeli and Palestinian adults, might survive, but certainly the spirit of Neve Shalom would be likely to fade, along with its balanced demographic mix.

Continued from Page 1

Continued from Page 1
suspicious circumstances.

The opposition figures, Dariush Forouhar, and his wife, Parvaneh, had both been stabbed more than a dozen times when their bodies were discovered Nov. 21.

The attacks have outraged many people in Iran, and they have prompted calls from Western literary societies, human rights groups and the State Department for swift government action.

Mr. Khatami also has condemned the killings in strong terms, and he vowed to seek the arrest of those responsible.

But so far the main effect of the murders has been to expose Mr. Khatami's relative impotence.

Within Iran's fractious power structure, Mr. Khatami commands little authority over security and intelligence forces, which are more closely aligned with the country's supreme leader, Ayatollah Ali Khamenei.

As to who may be responsible for the killings, various theories have been offered from either end of Iran's political spectrum — perhaps a conservative cell, a foreign government or the Iranian intelligence service.

But increasingly, Mr. Khatami's admirers have begun to suggest that undermining the president may be what the killings are intended to do.

The attacks may be merely the latest phase, they say, in the bitter struggle over the country's course since Mr. Khatami's landslide victory in the 1997 presidential elections on a campaign that promised a move toward political and cultural openness.

"We are sure that they want to close the society as before," said Gholam-Abbas Tavassoli, a leading member of the outlawed but officially tolerated Freedom Movement in an interview Sunday.



Hillary Clinton being welcomed Sunday by Israeli and Palestinian children in Neve Shalom, Israel.

Clinton Calls on Both Sides to Respect Wye Accord

Compiled by Our Staff From Dispatches

JERUSALEM — President Bill Clinton tried Sunday to repair the Wye River peace accords with appeals to Israel and the Palestinians to implement the land-for-security decisions they made two months ago.

"The Palestinian leaders must work harder to keep the agreement and avoid the impression that unilateral actions can replace agreed-upon negotiations," Mr. Clinton said to a group of Israeli students, referring to pledges by the Palestinian leader, Yasser Arafat, to declare an independent state if a

permanent peace deal is not reached by the end of next May. Earlier, Prime Minister Benjamin Netanyahu said the Palestinians must "officially and unequivocally" renounce the statehood plan.

Asked about Mr. Clinton's comments, Saeb Erekat, a senior Palestinian negotiator, said it was Israel that was violating the agreement. "President Clinton knows very well that the Palestinian street respects the obligations of the agreements and wants their accurate and honest implementation," Mr. Erekat said.

(Reuters, AP)

ISRAEL: As Peacemaker, Clinton Stakes Out Moral High Ground

Continued from Page 1

optimistically American speech. He made it clear he empathized with "the history of heartbreak" that defines Israeli-Palestinian relations, but he preached accommodation to immutable realities.

"One thing and only one thing is predestined," Mr. Clinton said. "You are bound to be neighbors. The question is not whether you will live side by side, but how."

On Israeli television, which carried the event live, when a commentator managed to speak above the din of cheers, he said the scene "looked and sounded like a Democratic National Convention."

Before Mr. Clinton's arrival, municipal workers hastened to scrape hostil posters from the city's walls, doctored photographs picturing the American president wearing an Arab headdress, with the Hebrew caption, "I am a Palestinian."

Members of Mr. Netanyahu's cabinet had to be persuaded to refrain from expressing too loudly their displeasure about Mr. Clinton's visit, which is organized around a trip to Gaza on Monday to oversee a meeting of the Palestinian National Council. The ministers, opponents of the peace effort, said they believed his trip would come across as an endorsement of Palestinian sovereignty.

They could repair the breakdown in relations.

But many Israelis, speaking privately, on the radio, or in newspapers, expressed embarrassment at the government's tepid if not hostile reception of a particularly popular American president who is making his fourth trip here at a moment many perceive to be fateful.

"It is important for you to know that not all of us are deceitful," Mr. Shalev, a novelist, wrote in a newspaper column.

"Not all of us are grave worshippers, not all of us are paranoid, not all of us are existential stones, not all of us are uncoachable, thankless beggars."

The newspaper Ma'ariv dedicated its front page to a column by its editor-in-

chief, Yaakov Erez, welcoming the "leader of the free world."

He wrote: "We all hope, save for the radical fringes, that Clinton will be able to bridge the abyss at our feet, exhibit his magic touch in his talks with Arafat and Netanyahu, and restore the hope of peace to our chests."

It is a tricky role for the American president, one setting what could be a dangerous precedent in a rocky process. Clearly, the Americans have moved from mediators to guarantors of the peace effort. But it would soon become untenable if the Israelis and the Palestinians needed not only American assistance but direct presidential intervention to clear the bump in the road.

Mr. Clinton and Mr. Netanyahu were at odds Sunday. After a meeting that lasted all morning, in which they reportedly spent only 10 minutes alone, they shook hands literally, reaching across their bod-

ies as both faced forward looking grim. They then presented different realities. In Mr. Netanyahu's report card on the implementation of the peace accord, the Israelis passed with flying colors and the Palestinians were completely delinquent. He blamed Palestinian leaders for "openly inciting for violence and riots."

He also said his own domestic political problems — the fact that his government, hanging on by a thread, might benefit by marching rightward — played no role in the Israeli freezing of its implementation of the accords.

In contrast, Mr. Clinton praised and condemned both sides. And he repeatedly referred to Mr. Netanyahu's "political constraints," as well as to those of Yasser Arafat, the Palestinian leader.

Finally, Mr. Clinton underscored the cash bounty waiting for the Israelis — \$1.2 billion in economic assistance, if Congress approves the request.

CLINTON: 'I Have No Intention of Resigning,' He Says in Israel

Continued from Page 1

those inquiries, the president responded calmly: "I have no intention of resigning. It's never crossed my mind."

Representative Henry Hyde, Republican of Illinois, the chairman of the House Judiciary Committee, said on CBS a television news program that Mr. Clinton should resign.

White House aides, who are engaged in an intense outreach campaign of the sort Mr. Clinton said he personally would not wage, are increasingly glum about their prospects of avoiding an impeachment vote. The House minority whip, Tom Delay, Republican of Texas, one of Mr. Clinton's harshest critics, put the odds at no better than 50-50 in an interview with an NBC news program.

■ Censure Is 'the Right Thing'

Mr. Clinton said that three-quarters of the American people believe that cen-

sure rather than impeachment is "the right thing to do." The Associated Press reported from Jerusalem. He urged lawmakers to "vote their conscience on the Constitution and the law."

Rebuffing Republican demands, Mr. Clinton also said he would never admit to perjury.

With time running out, White House aides were desperately searching for a strategy to save Mr. Clinton from becoming only the second president in history to be impeached. Joe Lockhart, the White House spokesman, said he was unaware of any plans for a presidential address before the impeachment vote, but he did not rule it out.

The vote poses a big test for the incoming House speaker, Bob Livingston, Republican of Louisiana, who must decide whether to step in with a compromise or stand aside as Republicans act in defiance of the wishes of most Americans.

IRAN: 3d Writer Found Dead

Continued from Page 1

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markets, Mr. Schroeder seems to have the elements in hand to move more assertively in Europe than he has as a domestic policymaker.

The difference between Mr. Schroeder's misfiring start in Bonn and his possibilities in the EU is the difference between openly stated, frontal logic in dealing with the problems in Brussels and the lack of the same kind of circumspect coherence in Bonn.

At home, since he came to power in October, the chancellor has confronted a basic and still unresolved contradiction. His campaign rhetoric of the New Middle, packed with notions of a freer German economy, less hobbled by costs and regulations, has collided with the tax and policy calculations of his Social Democratic Party apparatus. The result has been vagueness and criticism that the new government has no innovative economic program, mirrored in polls over the weekend that showed almost 70 percent of Germans thought there would be no improvement in the job situation next year.

In relation to Europe, picking up the line enunciated by Helmut Kohl in 1997, Mr. Schroeder has said plainly that Ger-

many pays disproportionately into the community and that its contribution must be reduced. This logic is acknowledged in the EU, and it should strengthen the hand of the German presidency in future discussions on limiting costs with France, Britain or Spain, all major beneficiaries of farm subsidies, rebates or regional development funds.

Pushing his reasoning, Mr. Schroeder appeared to have arrived at this calculation: When compromises come, a comparison between Europe's givers and takers means that Germany, which finances Europe to an extent even beyond its dominating place, will get to pay less. Whatever the outcome for the other members, it was a winning situation for Bonn and it radiated in the chancellor's confidence.

Using language going more directly to the point than most of his rhetoric on domestic issues, Mr. Schroeder said here that the weaker countries in Europe "must know that the stronger ones cannot be subjected to excessive demands." Germany had not become a reverse Robin Hood, he insisted, "but I am allowed to say" that it would like respect for its interests. "We can't and don't want to continue a policy," he said in a

speech last week, "that aims at buying the goodwill of our neighbors but leads to intolerable burdens in our own budget."

In terms of domestic politics, Mr. Schroeder had hit on an issue that had none of the difficulty of trying to sustain German Social Democratic notions of social protections while opening markets. He was defending national interests, without running much of a risk of being accused of nationalism or immorality.

Besides the chancellor suggested, in the end, the history of the European community showed that it had always resolved its financial

BOOKS

FANNY TROLLOPE

The Life and Adventures of a Clever Woman

By Patricia Nevile-Sington. 416 pages.

\$29.95. Viking.

Reviewed by Audrey Foote

"In Cincinnati," Fanny Trollope conceded, "the pigs are constantly seen doing Herculean service" sniffing up garbage strewn in the streets. But, she added, "If I determined upon a walk up Main-street, the chances were five hundred to one against my reaching the shady side without brushing by a stout, fresh dropping from the kennel."

This is one of the lesser complaints in her first book, "Domestic Manners of the Americans," published in London in 1832. "It succeeded in angering Americans far more than any book written by a foreign observer before or since," says the Oxford Companion to American History — presumably even more than Charles Dickens's scathing "American Notes," a decade later, which had even more fun with the portly sows and gemanian hogs trotting up Broadway.

Though this British Tory did commend a few persons, some architecture and the natural beauty of the country, she was shocked by its manners, morals, customs and institutions: "one hand hushing the cap of liberty, and with the other flogging their slaves," the mistreatment of Indians, religious hysteria and sharp business practices. And she was dismayed by the ignorance and insipidity of most women, and the rough talk and table manners of the ubiquitous generals, colonels and majors: "the voracious rapacity with which the vamps were seized and devoured... the loathesome spitting... the frightful manner of feeding with their knives till the whole blade seemed to enter their mouths, and

the still more frightful manner of cleaning the teeth after with a pocket knife."

Despite Fanny Trollope's fame — or notoriety — in her lifetime, her 42 published books and the three biographies of her even before this excellent and probably definitive one, she is usually identified as the mother of Anthony, an extremely prolific but more artful novelist. The youngest and healthiest of Fanny's six children, Anthony, was no doubt neglected, and later tended to denigrate her both as a mother and a writer. However — gallant compensation — he supposedly used her as the model for one of his most attractive heroines, Lady Glencora Palliser.

Fanny's five other children and the many famous friends (Mme. Recamier, Lafayette, Metternich) whom she acquired by sheer wit and charm seem to have considered her cheerful, resilient, a patient wife and devoted mother. As a country vicar's lively daughter, and by 1808 the fiancée of Thomas Anthony Trollope, a London barrister of good family and great expectations, Fanny had reason to anticipate at least the comfortable life of a Jane Austen heroine.

At first all went well: a fine house, social life, children. But as the family and expenses increased, their income dwindled with Thomas's worsening health and irascible temper. The crucial blow (a quite common event in English fiction and real life) was their loss in 1819 of a large inheritance to an uncle's unexpected new heir.

It was at the invitation of her friend Frances Wright, a rich, radical Scot who had published her own book on America in 1821 and had started a colony to free slaves there, that Fanny at age 52 decided to try her luck in the United States. She took along two little daughters, an artist protégé and a son she hoped to place in business. During her three years

of travels, her husband sent what money he could spare, made several visits and some unwise decisions. On the basis of several minor successes, Fanny built in Cincinnati an exotic and grandiose musuem-bazaar, for which Thomas shipped from England the shoddiest merchandise, to her dismay. The structure was known for decades after as Trollope's Folly; it ruined them.

But America was indeed their salvation, though not as they expected. Fanny decided the only way to make money from America would be to write about it. Back in London, that wit and sharp eye established Fanny's career. After the success of her first book, she went on to process her own memories, experience, imagination and voyages into 41 more books clever enough to support her family but not to endure.

She wrote while shuttling between England and Europe to contact important, useful friends, to seek out cheaper lodgings or to locate a better doctor or a milder climate. When home, she nursed her ill husband till his death in 1835, and then each of four children who died slowly of consumption.

Her devotion, energy and extraordinary resilience were much remarked. So it is a pleasure to learn that, by another fluke inheritance, this gallant woman spent her final decade (she died at age 84) with her family in the Villino Trollope, a splendid house in Florence, with terraces, gardens and a great library of rare books. On hearing of this good fortune, the English novelist Mary Russell Minford, who had known Fanny from childhood, wrote: "You have well earned the happiness domestic & social which you enjoy, dear friend." Amen!

Audrey Foote, a writer and lecturer in Washington on European drama, wrote this for The Washington Post.

BRIDGE

By Alan Truscott

THREE separate battles were in progress within one event at the American Contract Bridge League's Fall Nationals. Most of the top players in North America and a handful from other parts of the world were fighting for the prestigious Reisinger Board-a-Match Teams title, with two sub-titles.

Five of the players are contending for the Player of the Year title, awarded for overall performance at national championships. They are Paul Soloway of Mill Creek, Washington; Gert Helgemo of Norway; Lew Stansby of Castro Valley, California;

Richard Schwartz of Queens, and Geoff Hampson of Fenton, Michigan.

In his effort to become Player of the Year, Stansby will have help from his teammate, Zia Mahmood of Massachusetts.

In the Blue Ribbon Pair Championship final, Zia made an inspired decision on the diagrammed deal. He was on the way to victory with Howard Weinstein, and held the East card.

Zia opened one spade, and his partner made a negative double of the weak jump overcall of three clubs. The normal bid at this point was three diamonds, a contract that would succeed.

But Zia made an unexpected

ted penalty pass, bunting that he could defeat three clubs by two tricks in spite of his puny holding in clubs. A one-trick defeat would not be enough, for 100 points to East-West would lose match points against the 110 scores for making three diamonds.

West led the spade ace and shifted to a trump, which East ducked. A spade was led from dummy, and East played the king, unsure about the location of the queen. Then he cashed the club ace, removing dummy's remaining trump, and played the spade jack followed by another spade.

West's ruff was the fifth trick for the defense, and the heart ace was still to come, for down two. Zia had won his

better. He and Weinstein collected 34 match points out of a possible 38.

NORTHEAST
♦ 52
V K Q 10 4 2
♦ 10 9 4 3
♦ 10 9 5

WEST (D) EAST
♦ A 0 ♦ K J 9 7 5
V 19 6 5 V A 2
♦ K 7 6 2 ♦ Q 3 5
♦ 6 5 3 ♦ A 7

SOUTH
♦ 10 8 4 3
V 8 7
♦ A
♦ K Q J 8 4 2

Neither side was vulnerable. The bidding:
West: North: East: South:
Pass: Pass: 14: 3 4:
Dot: Pass: Pass: Pass

West led the spade ace.

Dual Revival in New York: 'The Iceman Cometh' and the \$100 Seat

New York Times Service

NEW YORK — The \$100

ticket is back.

Emmanuel Azenberg, produc-

er of "The Iceman

Cometh," starring Kevin

Spacey, says orchestra seats

for the ballyhooed revival,

which opens in April at the

Brooks Atkinson Theater.

will go for a single crisp C-

note. Other tickets will go for

\$50, and 100 seats for each

performance will cost \$20.

The hefty price stems from the

show's length, Azenberg

said: At four hours, "Iceman"

will require overtime for back-

stage staff. The length has also

limited the number of weekly

performances to seven, as op-

posed to the Broadway stan-

dard of eight, cutting revenue.

The price also reflects the

modern economics of Broad-

way. The show, which was

imported from London, will

cost \$1.5 million to mount, and

about \$225,000 a week to run;

the producers need to make a

profit of at least \$100,000 to

break even over the 12-week

run. "This is expensive, and it

has a short life," Azenberg

said. "I can't be accused of

trying to make a profit."

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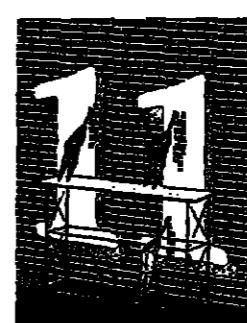
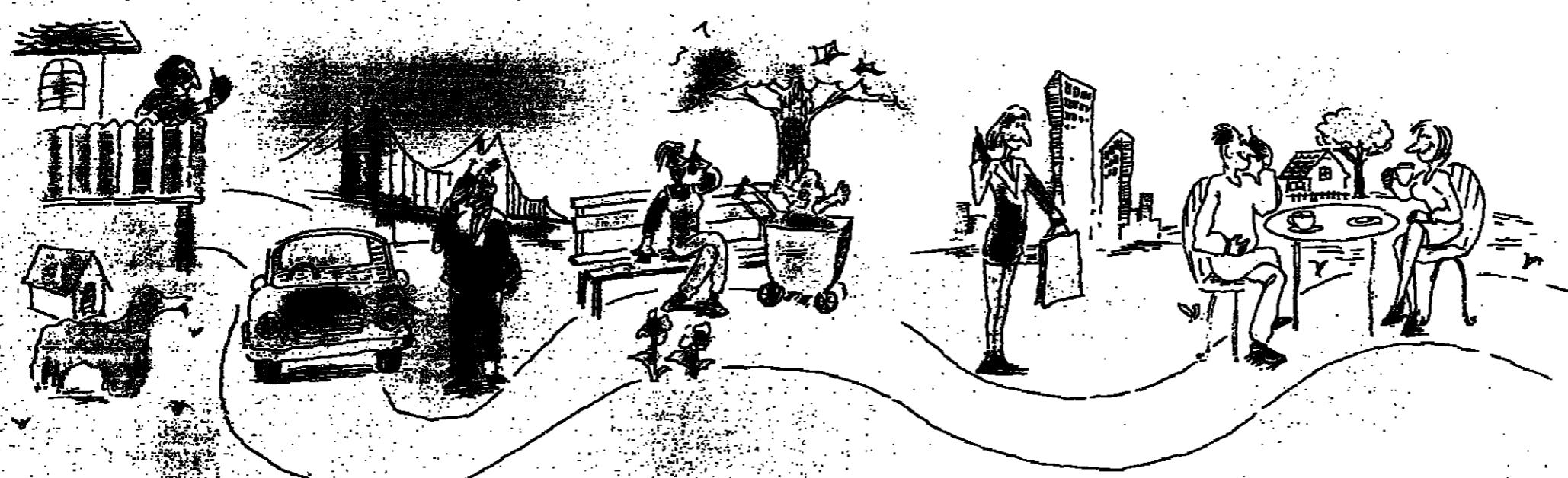
steel, respectively. Cellular-phone use can also contribute to a reduction in global warming. Recent surveys have shown that if mobile communications continue to grow at their current pace conventional means of communication, necessitating face-to-face meetings with their attendant traveling, will decrease, resulting in a reduction of some four million tons of carbon-dioxide emissions by 2010.

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NTT Mobile Communications Network, Inc.

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HEALTH/SCIENCE

TOMORROW
STAFF

Toning the Abs: No Best Way

By Liz Neoporent
New York Times Service

NEW YORK — Exercisers are often confused about the best way to strengthen and tone the midriff. And for good reason: Experts cannot seem to agree, either. Even the research is not definitive.

For example, the biomechanics laboratory at Centinela Hospital Medical Center in Inglewood, California, completed a study this year comparing the effectiveness and safety of eight popular abdominal movements. To measure the amount of electrical activity — and thus the force of muscular contraction — researchers placed electrodes on each subject's three largest abdominal muscle groups — the rectus abdominis, internal obliques and external obliques — and on one hip flexor muscle. Of all the exercises, the crunch, or quarter sit-up, was shown to activate the greatest number of abdominal muscle fibers and the least number of hip flexor muscle fibers.

"This means that the crunch surpasses other exercises in terms of efficiency and low-back safety," said Marilyn Pink, the lab's director. She explained that when the hip flexors are over-exerted, they tug on the muscles supporting the lower spine, which, in turn, can contribute to back pain.

"You don't have to do anything fancy in an attempt to isolate the abdominal muscles," Dr. Pink said. "Simple crunches with your feet unsupported work best."

Another study reported last year in the journal Medicine and Science in Sports and Exercise, however, used similar procedures to reach the opposite conclusion. Researchers could pinpoint no single exercise that optimally trained all of the abdominal muscles with minimal stress to the lower back. The authors advocate doing a variety of exercises to sufficiently challenge all of the abdominals.

Len Kravitz, director of exercise science at the University of Mississippi at Oxford, agreed. "The whole theory of training muscles abdominals or otherwise, is to constantly stimulate them with a different type of shock," he said. "If a muscle works in one way only, not all its fibers will be stimulated."

Dr. Kravitz recommends including crunches that involve twisting or rotation of the trunk, because they isolate the internal and external obliques,



Steve Goldstein/IFT

muscles that attach to the connective tissue of the lower back. "Strengthening these muscles helps bolster and support the spine," he said.

But Dr. Pink argued that the crunch variations serve only to place the lower back in greater jeopardy. "We found that twisting crunches increase intervertebral disk pressure and hip flexor activity," she said, explaining that these exercises involve less of the abdominal muscles and could be unsafe for the lower back.

Then there is Richard Bachrach, medical director for the Center for Sports and Osteopathic Medicine in New York, who advises forgoing crunch-type movements altogether because they only activate the upper fibers of the rectus abdominis, the wide, flat sheet of muscle, while the rest of the muscle goes unused.

These are plenty strong to begin with," he said. He suggests doing reverse crunches, which involve keeping the upper body still while lifting the

legs and buttocks a small way upward to target the often weak and underused portion of the rectus abdominis.

Dr. Bachrach also advocates working a fourth muscle, the transversus abdominis, which lies deep beneath the other abdominals. Although it is not involved in moving the spine, it contracts to stabilize and support it, a function he and others believe is important for spinal health and good posture. Forceful breathing while tightening the abdominals, or exercises that call upon the abdominals to contract without any spinal movement, train the transversus as well as the other ab.

One thing experts do agree on: No amount of abdominal training will "spot reduce" the midsection, despite testimony by infomercials hawking various devices. A seminal, 1984 study performed at the University of Kansas evaluated the effects of 27 days' worth of regular abdominal exercises and concluded that they do not selectively reduce abdominal fat.

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The Demons of the ICU

Many Intensive-Care Patients Have Psychotic Reactions

By Sandeep Jauhar, M.D.

NEW YORK — One night recently, when I was on call in the cardiac care unit at New York Presbyterian Hospital, I visited a patient who had been in the unit for nine days, recovering from a procedure to remove a clot in one of her coronary arteries.

She was doing well, breathing on her own, with a normal blood pressure and regular heartbeat. I thought she was asleep. But after a moment she opened her eyes. "Welcome, doctor," she said. "Will you have a drink?" She pointed in the dark toward her fully stocked bar and asked me to help myself. "You know where everything is," she said. "And fix me one as well."

I asked her where she was. "My apartment," she replied. She knew nothing about being sick or in the hospital.

I walked up to her IV pole and squeezed the bag of saline that hung next to her bed. She thanked me and went off to sleep.

Although this 69-year-old woman was deeply confused, she was actually acting quite normally. She was experiencing a disturbance called ICU psychosis, observed with increasing frequency as intensive care units proliferate.

In the 1960s there were only about a hundred "special care" units in the United States. Now most hospitals with more than 100 beds have some form of intensive care unit. About a third of the patients who spend more than five days there will experience some form of psychotic reaction.

EVEN if they have never had any psychiatric problems before, these patients may experience anxiety, become paranoid, or hear voices and see things that are not there. Sometimes, like my patient, they become severely disoriented in time and place. They may get out of bed and grapple with nurses. Occasionally they become very agitated; even violent.

That same night I responded to a 4 A.M. page and found myself in the room of a businessman from New Jersey, transferred to the unit after a heart attack. He was sitting at the side of his bed, his sheets soaked with bright-red blood.

don't do well here."

No one knows exactly what causes this reaction, but if it is generally accepted that something about the environment of the intensive care unit makes some patients, already experiencing high levels of stress, debility and pain, lose their minds.

Perhaps it is sensory deprivation — being caged in a windowless room, away from family and familiar things. Or perhaps the sensory overload — being tethered noisy machines that are on all day and night. It could even be something as banal as pain, which studies show is often inadequately controlled in the ICU.

Perhaps it is sleep deprivation and disruption of the normal day-night rhythm. Or perhaps it is simply the loss of control that patients must feel as their bodies are probed and medicated, largely without their consent, by strangers who usually don't have time for explanations or empathy.

Whatever the cause, the phenomenon is so widespread that experts have explicitly defined it as an "acute brain syndrome involving impaired intellectual functioning which occurs in patients who are being treated within a critical care unit."

It is an example of the more general phenomenon of delirium. Delirium, or acute brain failure, often has organic causes. Dehydration, infection, low blood oxygen, inadequate cardiac output and drugs can all bring it on. And though environmental stressors are often implicated in the delirium of the

ICU, studies show that more often organic factors are to blame. In fact, many experts object to the term, "ICU psychosis" because it covers a number of conditions with a catch-all rubric that often deters further investigation.

This can be fatal. For example, delirious patients with blood infections may be prescribed anti-psychotics instead of the antibiotics they need.

As it is, at least 20 percent and perhaps as many as 76 percent of acutely ill patients with delirium die within a few months, possibly because of the severity of the illnesses that caused the delirium in the first place. When patients leave the ICU, the problem almost always vanishes.

Even in the ICU, the psychosis often resolves spontaneously, with the coming of morning or sleep. Sometimes it lingers through the day. Severe agitation usually occurs only at night, however, which is why doctors and nurses often call it sundowning, also a kind of delirium common in nursing homes.

When it does not go away by itself, though, doctors must identify the underlying cause. Dehydrated patients will require fluids, for example; those with heart failure, digitalis.

It is environmental in origin, family members, familiar objects and calm words can help. But usually patients will require sedation with powerful anti-psychotics.

In recent years, progress has been made to reduce the stressors of the ICU. Many units now have visiting hours. Shifts are adjusted to minimize changes in the nursing staff caring for a patient. Lighting is adjusted to synchronize with day-night cycles.

But sometimes it is the small changes that make all the difference. I remember one patient who had suffered neurologic damage that had left him unresponsive. His son asked us to move him to the room next door because it had larger windows. The next morning I walked in to find the patient sitting in a chair, admiring the Queensboro Bridge.

He gave me a thumbs-up and his message was clear: All he wanted was a room with a view.

Dr. Sandeep Jauhar wrote this for The New York Times.

Osteoporosis: Warning for Men

By Susan Gilbert
New York Times Service

NEW YORK — New research is challenging the medical textbook view of osteoporosis as largely a women's disease linked to the singularly female experience of menopause.

It now seems that osteoporosis is more prevalent in men than was previously thought, and that although men do not go through menopause, the main cause of the degenerative bone disorder is the same in men and women: an age-related drop in estrogen.

Several recent studies show that men's levels of this sex hormone decline with age and that the decline leads to a loss of bone mass, the signature symptom of osteoporosis.

Some of these studies were presented two weeks ago at a meeting of the American Society for Bone and Mineral Research and the International Bone and Mineral Society in San Francisco.

"This is surprising," said B. Lawrence Riggs, a professor of medical research at the Mayo Clinic in Rochester, Minnesota, who has found that estrogen naturally falls in men after about age 65. "Three years ago, none of us would have thought that estrogen loss was a factor in male osteoporosis."

Medical textbooks describe osteoporosis differently for men and women. In women it is linked mainly to the sharp drop in estrogen after menopause, because estrogen is known to slow the natural process of bone loss that occurs with age.

In men, however, osteoporosis is said to result from abnormally low levels of testosterone, a sex hormone more plentiful in males. The cause of low testosterone is usually a rare condition called hypogonadism, in which the testicles are underactive.

Two studies presented at the meeting indicate that estrogen plays a more central role than testosterone in osteoporosis in men. Researchers following residents of Framingham, Massachusetts,

over five decades studied 382 elderly white men for eight years, tracking bone density, estrogen levels and signs of hypogonadism. Men with the highest bone density also had the highest estrogen levels; the connection with hypogonadism was negligible.

In another study, doctors in Germany measured bone density as well as estrogen and testosterone levels of 300 men with osteoporosis for five years. Forty percent of the men had low estrogen; 20 percent had low testosterone.

"We didn't see a pronounced effect of testosterone on the males' bone-mineral density," said Peter Kaps, an orthopedic surgeon and the lead author.

PAMELA TAXEL, assistant professor of medicine at the University of Connecticut Health Center in Farmington, said: "These are suggestive findings, but larger studies are needed to understand the mechanism of estrogen and testosterone on bone health in men."

Dr. Taxel is studying the use of estrogen supplements to treat men with osteoporosis. She said research was needed to develop a form of estrogen that helps men without causing side effects like prostate disease or impotence.

IN BRIEF

New Testing for Cervical Cancer

LONDON (Reuters) — Doctors say a new test for cervical cancer that recognizes chemical changes in irregular cells could improve screening programs and save lives worldwide.

The technique, dubbed the Campaign Test, is designed to be used with the standard Pap smear but will pick out and mark abnormal cells that can be easily missed in laboratory analysis.

Preliminary tests have shown the method is extremely accurate. If large-scale trials, due to begin in 18 months, are successful, then the test could be available worldwide within three years.

The new test uses antibodies that home in on protein molecules called Cdc6 and Mcm3 that are present only in replicating cells that are potentially cancerous. A fluorescent or colored dye is used to highlight the antibodies on the abnormal cells on a Pap smear test that contains 300,000 to 500,000 cervical cells.

Normal cells on a cervical smear test should not be dividing. On a laboratory slide, the irregular cells will come up with a contrasting color to the healthy cells.

Sweets and the Aging Process

WASHINGTON (Reuters) — Rats that eat high levels of a natural sugar known as fructose seem to age faster than other rats — and the same could be true for people who eat too much sweet junk food, Israeli researchers report.

Fructose, found naturally in honey and fruit, is used widely in foods ranging from soft drinks to yogurt. But while its sweet taste is popular, the sugar could cause wrinkles and health problems, the researchers said.

Moshe Wenner and Boaz Levi of the Technion-Israel Institute of Technology fed large amounts of fructose to laboratory rats. Writing in the Journal of Nutrition, they said the fructose-fed rats showed changes in the collagen in their skin and bones.

Collagen, a fibrous protein found in connective tissue, bone

and cartilage, basically holds the body together. The loss of collagen is what causes sagging and deep wrinkles in older people.

Other studies have shown that high fructose intake can affect how the body handles glucose and increases insulin resistance — which can both be important measures of the tendency toward diabetes.

The Benefits of Aspirin Therapy

CHICAGO (Reuters) — Taking aspirin regularly to ward off heart attacks and strokes increases the chance of a brain hemorrhage, but the benefits of aspirin therapy appear to outweigh the risks, researchers said.

Researchers at Tulane University in New Orleans analyzed 16 studies covering 55,462 patients who had aspirin therapy. They found that the number of patients spared a fatal heart attack or ischemic stroke — in which a blocked artery cuts off blood flow and oxygen to the brain — was larger than the increase in the number of brain hemorrhages.

Ischemic strokes account for 85 percent of strokes, and hemorrhagic strokes the rest. Aspirin therapy thins the blood and eases blood flow but raises the risk of internal bleeding.

Based on the study's findings, there were 137 fewer heart attacks per 10,000 aspirin therapy patients than otherwise would be expected, or a 32 percent decrease. There were 33 fewer ischemic strokes per 10,000 patients, translating to an 18 percent reduction. But the number of hemorrhagic strokes rose by 12 cases per 10,000 people, an increase of 84 percent.

The study found that, on average, aspirin therapy accounts for a 15 percent drop in death rates from all causes, a 22 percent decrease in cardiovascular deaths, a 22 percent dip in

fatal heart attacks and 12 percent fewer total strokes. The basis for the finding that aspirin's benefits outweigh its risks was that heart attacks and ischemic strokes are far more common than hemorrhagic strokes. But, Jiang He, the author of the study, wrote in the Journal of the American Medical Association, "aspirin might be used with caution in subgroups who are at high risk of hemorrhagic stroke."



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THE INTERMARKET

MONDAY, DECEMBER 14, 1998

EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Censure Is the Way

The House Judiciary Committee has now completed its task, and it has failed miserably. It has approved four articles of impeachment, of which two are ill-defined and two are unsubstantiated. It also has arrogantly voted not to report a censure resolution, thereby seeking to deprive the full House of any alternative to impeachment. The House Republican leadership should remedy this situation by somehow ensuring that the full House gets to vote on the sensible alternative of a strongly worded censure resolution.

There is no question that President Bill Clinton committed grave offenses and aggravated them by refusing to acknowledge either the offenses themselves or their seriousness. The two perjury articles reported by the committee are both, in our judgment, factually accurate. But in this case, impeachment is an overly broad response. And even here, the committee has dodged its duty by failing to specify the statements by President Clinton that were, in my view, "perjurious, false, and misleading." No one should be required to stand trial either in court or in the Senate without being informed of the specific allegations against him.

The obstruction of justice article remains factually unproven. While the charges are serious and the evidence supplied by independent counsel Kenneth Starr raises questions that cannot be dismissed, the committee has not done the required investigation to sub-

—THE WASHINGTON POST

Activists for Rights

Fifty years ago this past week, the United Nations adopted the Universal Declaration of Human Rights and the Genocide Convention. The world of 1948, impressed by the Nuremberg Tribunals, seemed ready to enforce international laws to prevent new acts of genocide and crimes against humanity. But nothing happened — until 1993, when the international tribunal for Bosnia became the first of several new attempts to enforce these laws. One important reason for the change has been the participation of citizen-activists, who have initiated some of the cases and played a major role in shaping the new courts.

The case against Augusto Pinochet of Chile began with private citizens; an organization of Spanish lawyers filed a complaint accusing him of human rights abuses. The laws of Spain and many other nations allow judges to investigate complaints from the public and open a case if the evidence warrants. The 1994 French conviction of Paul Touvier for crimes against humanity in Nazi-occupied France began as a complaint by the son of a victim, and the work of Nazi-hunters such as Beate Klarsfeld was instrumental in the 1987 conviction of Klaus Barbie. The only cases in U.S. courts against foreign human rights violators are suits

—THE NEW YORK TIMES

Left Out of Europe

A great task of this era is the integration of Europe's newly free nations into the trans-Atlantic community of democracies. Nothing could be more important for future peace and stability than to lock in liberty's progress. So it is a worry now that the drive toward integration may be losing momentum — not because of any diminished enthusiasm by the new democracies, but because of faltering commitment by the old ones.

Key to this process are NATO and the European Union. One is primarily a military alliance, the other economic, but membership in both carries significant political consequences. To belong requires, broadly, good citizenship on a national and international level: getting along with neighbors, respecting the rights of minorities, keeping the military under civilian control, guaranteeing basic freedoms and civil liberties. The desire to join these organizations has spurred many countries to move quickly toward these goals. Membership will cement the gains.

But the European Union is moving slowly. The Berlin Wall fell in 1989, yet no new members have been admitted. First-tier candidates now have been designated, and negotiations are under way. But whereas at one time nations looked forward to entry by 2002 or so, now speculation centers on 2004 or 2006 or even later. Such a

—THE WASHINGTON POST

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It's the Powerful Who Count, Ahead of the Kids

By Stephen S. Rosenfeld

WASHINGTON — Most of the content of Unicef's latest annual report on "the world's children" is about what you would expect. The familiar strategy of the UN Children's Fund is to identify children as a neglected social group without the capacity to generate its own relief. Hence the effort to pluck at our consciences with appeals for earnest striving in a worthy cause. Many of us who as individuals or countries lead privileged lives are pleased to respond to Unicef's evocation of our better nature.

This year the annual report, signed by Executive Director Carol Bellamy (former Peace Corps official, Wall Street lawyer and New York state senator) centers on education. In most typical and telling assertion is that nearly a billion people, two-thirds of them women, will enter the 21st century unable to read a book or sign their names, much less operate a computer or understand a simple application form. So much for equity and for the supposedly magic touch of globalization.

Girls' schooling in particular is identified by Unicef as the closest thing available to an all-purpose develop-

mental "magic bullet." It is credited not only with imparting skills but with improving health, cutting back population growth, stoking economic growth and even promoting international peace.

Why, then, is this university acclaimed project of basic education, and especially the education of girls, almost everywhere cherished but only slowly and erratically put into effect? Certainly it can't be just the cost. By agency estimates, it would take only an additional \$7 billion a year for a decade to extend primary education around the world. Ice cream money.

No, the answer lies elsewhere. It is the political will that is lacking, Unicef asserts. Here the report gets interesting as it turns toward the sensitive question of why big money goes to some projects but not to others.

When the international community decides that something is important or urgent, says Unicef, it can move mountains. Take the recent rapid \$100 billion bailout of collapsing Asian economies. Public banks simply jumped over the

sweeping, painful and protracted structural adjustments that they commonly require first from poorer countries. International Monetary Fund officials justified the favoritism by pointing to the importance of the Asian economies to the global financial system.

Two years ago the Fund and the World Bank launched a debt-relief operation to give the world's poorest countries a prospect of starting the new millennium with a clean slate. The effort founders "not least because of petty disputes among creditor governments," says Unicef. The resulting inertia "should be profoundly embarrassing to an international community that responded so swiftly and magnificently" to crises in richer countries.

Notes the report: "The message that emerges is that massive allocations of global resources are made when the economic stability and well-being of the developed countries are threatened."

After all, education is critical to providing the trained population vital to sustain competitive markets and viable democracy. Moreover, the population of the developing world is no longer getting younger — Unicef depicts this demographic detail as an accomplishment in which education has played an important role.

We will admirably strong stuff for an official report.

The Unicef document goes on to detect a perceptible shift — perceptible to Unicef, anyway — in the international economic agenda. "After almost two decades in which human development has taken a back seat to globalization and structural adjustment, we may be entering an era of investment in 'human and social capital' that will make the task of spreading the education revolution worldwide much easier."

After all, education is critical to providing the trained population vital to sustain competitive markets and viable democracy. Moreover, the population of the developing world is no longer getting younger — Unicef depicts this demographic detail as an accomplishment in which education has played an important role.

We will see whether these trends produce the burst of appreciation for education that Unicef espouses. Meanwhile, we can contemplate whether we like the kind of class-fractured, power-centered world that it boldly and accurately describes.

The Washington Post

Clinton in Gaza: An Attempt to Keep Peace on the Rails

By Jim Hoagland

WASHINGTON — Yasser Arafat, who has made a career out of falling upward, reaches the summit of that difficult art with his scheduled welcome in Gaza this Monday of President Bill Clinton, who will need all of his fabled good luck to pull off this dangerous mission.

The Gaza trip was conceived at Wye Plantation in October as a ceremonial affirmation of the agreements that the three leaders reached there. The promise that Mr. Clinton would go to the desperately poor, insurrectionist enclave was intended to bless and guarantee the Palestinians' formal renunciation of the open Israeli opposition. Secretary of State Madeleine Albright told reporters the other day, because he has said he would go. The Gaza trip was part of the Wye deal.

The president interjects his office in a highly visible personal fashion into the struggle

trip risks being more sacrificial than sacred.

The trip offers these leaders one more chance to recognize how and why the once promising Oslo movement toward Israeli and Palestinian coexistence has gone so wrong, and to keep the process from being swept off the rails completely.

Essence of Clinton waits through all of this: His trip to Gaza is form as content, travel as commitment, promise as performance. He is going ahead with the visit despite the dangerous conditions and the now open Israeli opposition. Secretary of State Madeleine Albright told reporters the other day, because he has said he would go. The Gaza trip was part of the Wye deal.

The president interjects his office in a highly visible personal fashion into the struggle

achieve yet another affirmation by the parties" of what has already been agreed on paper.

That, I fear, will sum up Mr. Clinton's trip. It could merely pave the way for greater and greater American effort in search of increasingly ephemeral gains.

The dangers Mr. Clinton courts by putting himself in the middle illustrate the dangers of the peacekeeping role he assumed at Wye to release Palestinian prisoners. He has been releasing into Mr. Arafat's embryonic state car thieves and armed robbers, not political activists. (There was and should have been no expectation that he would release convicted terrorists.)

This is a clear expression of his attitude and tactics toward the Palestinians. He will carry out agreements in his own fashion to weaken and fragment whatever political construction he will eventually grant Mr. Arafat. Mr. Netanyahu seems not to have asked himself if the

humiliated and broken partner such tactics can achieve is worth achieving.

Mr. Arafat also needs to understand the limits of his art, which is succeeding by failing.

He fashions a state not out of military victory but out of the ashes of his failed war of liberation. He was caught unaware 11 years ago this month by the intifada that eventually drove the Israelis to Oslo. His opportunistic support for Saddam Hussein in 1990 brought the Palestine Liberation Organization so low that Israelis were finally able to imagine peaceful coexistence.

There is no room for triumphalism in these circumstances, even as Mr. Clinton's visit awards Mr. Arafat a great political coup. Israelis and Palestinians must share each other's success, as they will surely share each other's failure.

The Washington Post

Ten Years of U.S.-Palestinian Dialogue, and Much Still to Achieve

By Richard Murphy

NEW YORK — When President Bill Clinton visits Gaza this Monday, it will be 10 years to the day since the Reagan administration reached the fateful decision to open the first official talks with the Palestine Liberation Organization.

By December 1988 I had served as assistant secretary of state for Near Eastern and South Asian affairs for more than five years. We had helped to avoid a Middle East war but had not expanded the peace.

The Egyptian-Israeli peace treaty of 1979 proved unable by itself to sustain momentum in the peace process, and I participated in several failed efforts to keep it going. After each failure, we heard a few more voices urging Washington to "talk to the PLO."

Time was running out for a dialogue to start before President Ronald Reagan and Secretary of State George Shultz

would leave office in January.

Mr. Shultz had inherited a formula, adopted at Israeli urging in 1975, containing conditions which the PLO had to meet and language it had to use before the United States would agree to talk. Its essence was that the PLO had to accept UN Security Council Resolution 224 and 338 and Israel's right to exist. Cynics said the Israelis had designed a formula which the PLO could not accept.

For many years the cynics were right. The PLO leadership demanded, among other things, Israeli recognition of the Palestinian right to exist.

Mr. Shultz was determined to extract the 1975 formula from the PLO leadership before recommending to Mr. Reagan that the time had come to start the dialogue. He decided in November 1988 that Yasser

Arabia should be denied an American visa to address the General Assembly in New York. United Nations members responded by calling for a special session of the General Assembly in Geneva to hear Mr. Arafat's speech.

The pressure to start a dialogue with the PLO intensified.

On Dec. 7, Mr. Arafat, after intensive talks with a few prominent Jewish Americans, issued a statement jointly with the Swedish foreign minister saying that the Palestine National Council had established an independent Palestinian state, recognized Israel as a "state in the region" and noted that the PNC rejected terrorism "in all its forms."

Palestinian sources said Mr. Arafat would include the 1975 formula in his speech in Geneva on Dec. 13. I listened to it and

reported that he seemed to have covered the elements but had not repeated the formula.

The next day, after a flurry of telephones' conversations with some "non-PLO Palestinians" who were apparently sitting with Chairman Arafat in his hotel suite, I was assured that he would state the formula in full during a press conference that afternoon. He grumbled memorably that he was being asked to "do a stripey," but in the end he did repeat the formula.

Mr. Shultz then went to the White House to see Mr. Reagan. After that, he authorized me to advise my contacts that the chairman had met the American condition and that a dialogue could begin. It started in Tunis 48 hours later.

When Mr. Arafat did not condemn an attempted attack on an Israeli target the following year, the talks were broken off. But the principle had been established, and since then Washington has not challenged the PLO's assertion that it was "the sole legitimate representative of the Palestinian people."

In these past 10 years, PLO negotiators have learned that it is better to stay in negotiations, say "no" when necessary, but not stalk away in indignation. They have succeeded in drawing the American side deeper into the talks than the Americans belong.

For this Prime Minister Benjamin Netanyahu has himself partly to blame, given the prolonged interruptions that have characterized his administration.

Foreign Minister Ariel Sharon's recent call for Israelis to occupy every hilltop on the

West Bank before the next stage of talks on final status issues is a remarkably candid expression of his goals. If it stands, by Israeli settlers ensues, this will slow negotiations.

However, Mr. Sharon's straightforward call for a land grab should be easier for the Palestinians to cope with than the stand of the extreme religious right in Mr. Netanyahu's governing coalition.

Mr. Clinton visits a Gaza where Palestinians have taken charge of their fate to a greater degree than ever before. He has just made a new U.S. pledge of economic assistance and has helped raise billions of dollars in international pledges to help them build their infrastructure.

He is not visiting an independent state. He will likely urge Mr. Arafat privately, as well as publicly, to abstain from declaring statehood next May as long as negotiations are still in progress.

He will see a community in severely depressed economic conditions, where complaints about waste, mismanagement and official corruption are rife. But he will meet on their home grounds a people who aspire to a society distinct from the models they have lived with and under in the Arab world: a society where elections will matter and political parties are allowed to play serious roles.

The writer, U.S. assistant secretary of state for Near Eastern and South Asian affairs from 1983 to 1989, is senior fellow for the Middle East at the Council on Foreign Relations. He contributed this to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO**1898: Southern Deceit**

PARIS — The "Sun" says: "It is very affecting to hear Southern Democrats anti-expansionists talking about the consent of the governed and insisting that equal rights must prevail on American soil. Colored men in many parts of the South are governed without their consent, yet at the mention of political inequality in the Philippines every Southern anti-expansionist weeps noble tears and pangs, sobs from his dignified whipple."

1923: The Soft Collar

PARIS — [The Herald says in an Editorial:] The majority has always determined what "dressey" men must wear. But a revolt of the majority has manifested itself after years. Of that revolt the soft collar and the soft hat are the most striking symbols. Men-cattle personified in the magazine toilet

have taken serious alarm. Their theory is that no other single article has profound influence than the soft collar in determining the kind of clothes with which it will be worn. Comfort is the greatest obstacle to the success of their plan. Moreover, the historical development of man's dress must be taken into account. Its whole evolution has been towards comfort.

1948: Nicaragua Raid

BUSINESS TO e-BUSINESS: AUTOMOTIVE

THE ROAD AHEAD FOR CARMAKERS

The auto industry's challenges: competition, complexity, customization and excess capacity.

The October merger of Chrysler Corp. and Daimler-Benz AG, which created the world's fifth-largest carmaker — with combined sales to exceed \$155 billion next year — came about as a response to many of the challenges facing the auto industry today.

These might be listed as the four "Cs" — competition, complexity, customization and capacity in excess of global demand.

Friedrich Christeiner, general manager, IBM manufacturing industries, Europe/Middle East/Africa (EMEA), who also has global automotive responsibilities for IBM, explains that carmakers today face competition in every aspect of their business. They need to be in every niche of the market to maximize cost efficiencies, and they must be lean, agile and cost-conscious, as Chrysler learned to do after its near-bankruptcy bailout by the U.S. government in 1979.

Complexity is due in part to the globalization of the auto industry. Car manufacturers must cope with a variety of locations, government regulations and incentives, distribution patterns and consumer buying habits.

The newly combined DaimlerChrysler, for example, has manufacturing fa-

cilities in 34 countries and sales in more than 200.

In addition, automobiles themselves are becoming more complex. There are up to 20,000 components in an average car, and between 30 and 40 microprocessors controlling transmission, braking, traction, air bags, seat belts and anti-theft systems, among others. And the number of microprocessors in cars is growing — the Mercedes S-class boasts 115.

One customer at a time. Buyers are demanding more and more customization in their cars, especially at the luxury end. "Very flexible production is needed to handle this," says Mr. Christeiner.

Finally, Mr. Christeiner points out that the automakers now have to deal with a 20 percent excess in manufacturing capacity. "The auto industry is cyclical," he says, "compounded by the economic situation in Asia and Eastern Europe. The result will be a further increase in competition and continued mergers and joint ventures and alliances."

From 20 major car manufacturers today, there will be 10 in coming years, predicts Peter Robison, director of IBM's automotive competency center, manufacturing industries, EMEA. "The



power balance is shifting," he warns, with a reduction in OEMs (original equipment manufacturers) and suppliers.

The upshot is that car companies must learn to "provide solutions, not build cars," says Mr. Robison, a former auto executive.

Information technology can help auto manufacturers respond to all these challenges. Computer-aided design shortens development time, and sophisticated links among designers, suppliers and manufacturers lower costs, making carmakers more competitive. Chrysler has learned this lesson; it has 110,000 employees have

been producing 3 million cars annually.

Managing complexity

"The drive to technology is not just a question of cost," says Eberhard Roller, IBM's director for global embedded and production solutions (GEPS), auto industry, EMEA. Companies must embrace new technologies because "manufacturing processes are now so complex that nothing else can handle

Mercedes, which has traditionally emphasized engineering quality over speed to market, uses technology to enable its engineers to ex-

plore a variety of concepts, materials and functions within a given time frame.

Mass customization — tailoring mass-produced goods to individuals — would not be possible without IT solutions to gather, organize, communicate and execute consumer-driven orders. No paper-based system could keep track of millions of cars, each one tailored to a specific buyer preference.

All our technology has an end-user focus because the customer is determinant," says IBM's Mr. Christeiner. "The business drives the technology and not the other way round."

Since excess capacity gives rise to mergers and new alliances, technology has a major role to play in the resulting consolidation of the industry. The integration of suppliers, designers, manufacturers, dealers and customers calls for information networks operating on a real-time basis.

In the past, automakers looked at each of these parts separately. "But technology can link them together," notes Mr. Robison. He emphasizes that IT alone is not enough: "You have to change the organization as well as introduce the technology to make a difference."

CLICK HERE FOR BLACK LEATHER SEAT COVERS

A number of Audi dealerships in Germany, plus five airports — Berlin, Frankfurt, Hamburg, Hannover, and Munich — will be equipped with kiosks that enable customers to "build" the Audi they want, including options, colors and interiors, without sales assistance. The kiosks will be accessible even on Sundays, when car dealerships are closed in Germany.

"Customers may choose to configure their car on Sunday, then bring it to the showroom during the week. This saves time," says Reinwald Henne, project manager, IBM Professional Services, who helped develop the kiosk.

Although a useful support at dealerships, the kiosks may be most valuable in other locations, such as upscale shopping malls, trade shows, professional conventions and airports, says Wayne-Anthony Griffiths, manager, international trade marketing, at Audi. "I'm not a new media specialist. I'm a marketing person, and I expect this technology to generate leads and increase sales," he says.

Customers will be able to learn more about Audi's history and organization, order price lists, study leasing options, send feedback directly to Audi and check lists, updated hourly, of used cars available through Audi dealers across Germany.

An on-line solution was essential, says Mr. Griffiths, because Audi wanted information that could be updated immediately.

The system uses standard hypertext markup language (HTML), so information used on the kiosk can be used on Audi's Web site as well.

The kiosks also provide information on Audi's new AudiTT, a two-seater sports car geared to the Internet generation. Because only a few large dealers will carry it in their showrooms, the kiosk allows customers elsewhere to examine it in some detail.

In coming months, the kiosk concept will be tested internationally at dealerships, prestigious shopping malls and airports in Austria, the Netherlands, Spain, Switzerland, the United Kingdom and the United States.

AN EYE ON IMPROVING SERVICE

By the beginning of 1999, Swedish carmaker Saab will have linked all 225 of its U.S. dealerships in an e-business-based intranet it calls IRIS (Intranet Retail Information System).

IBM Global Services and CST Inc., an Atlanta-based IBM business partner, were among the project's primary vendors and helped modify Saab's existing systems and applications for the intranet solution.

The reason is simple. "We expect to sell more cars," says Jerry Rode, director of information technology, Saab Cars USA, "and retain our customers by providing better service to them."

Dealer communication systems per se are nothing new, but IRIS is the auto industry's first sales-side network. Based on browser technology, it is simple to use and offers more functionality and graphics than previous systems. "IRIS easily outperforms Saab's older proprietary network," says Forrester Research, a technology research firm, and "offers Saab a competitive advantage by providing better service and easier access to information."

Saab required each dealership to have a minimum of four computers, one each for sales, parts, service and back office. One dealer, who had had no computers at all, enthusiastically purchased 16. His response was not typical.

"Our dealers love IRIS because it is on all the time," says Mr. Rode, "and they can improve customer service." For example, Saab key cards are electronically coded, so if a key is lost, the owner must go to a dealer, who has to contact headquarters for the code. With IRIS, this process takes seconds rather than hours.

Saab manufacturing also benefits from the system. In the past, the car warranty provided the only consistent feedback in terms of car performance. Now, information is sent to headquarters every time a car comes in to be serviced.

More information also helps manufacturers optimize their distribution costs, which represent about one-third of the final cost of a car, points out Adriano Beretta, marketing, sales and support manager for IBM's auto industry practice, EMEA. "Our mission is to help the manufacturer be more competitive," he says.

Although IRIS began in the United States, it will be rolled out to the European market in the near future. In Europe, unlike in the United States, car distribution is often separate from sales and service, especially in Southern Europe. In France alone, there are between 5,000 and 6,000 dealers and 40,000 service centers, and the latter may be franchised or independent.

IBM is installing a variety of networks in Europe that take account of these differences. For Italian truck manufacturer Iveco, IBM developed a simple dial-in facility that links Iveco offices in 34 locations in 33 countries around the world. The system significantly improves Iveco's worldwide parts service to its main dealers and its customers.

"It costs five times more to win a client than to keep a client," observes Mr. Beretta, so manufacturers and dealers have a strong incentive to add value and enhance customer satisfaction and loyalty.

e-business dealer and service networks go a long way toward this goal, but they cannot be considered ends in themselves.

Saab's Mr. Rode already has a shopping list of 63 enhancements to IRIS, including links to financial institutions, carriers (so customers know when their car will arrive), user-care information, calendars for on-line scheduling of service appointments and auto purchase on-line.

"Manufacturers have to find new ways to work in partnership with their franchised dealers, because the latter know the customer best, and that is the key to brand loyalty," Mr. Rode says.

DESIGNING PROFITS

Web-style applications have been developed for using three-dimensional digital prototypes.

Cars exist in a three-dimensional world, so it makes sense to design them in three dimensions, even on the drawing board. Thanks to advances in computer-aided design (CAD), designers have been increasingly doing so over the past several years. Using 3-D digital design, rather than physical prototypes, car manufacturers are able to shorten their production cycles, with resulting lower costs and quicker time-to-market.

"All cars today have benefited from 3-D," says Klaus Schaefer, director of IBM engineering solutions, Central Europe. A three-dimensional digital mockup (DMU) can make all phases of auto development more efficient. The design phase is simplified, engineering can be more productive, the testing cycle is shortened and problems can be identified at an early stage, making vehicles less costly to produce and safer on the road.

CATIA, the Computer-Aided Tridimensional Interactive Application first de-

Digital 3D

Digital 3D prototypes can be shared among teams in design, production, sales and service — and with customers.



veloped in 1981 by France's Dassault Systèmes and marketed by IBM, is used by the vast majority of car manufacturers today. It offers the ability to introduce changes relatively late in the product development cycle, as well as features that bring the final customer closer to the company, e.g., test driving a vehicle through virtual reality or configuring a car in a dealer's showroom.

CATWeb takes this solution a step further by combining the efficiency of digital prototyping with the collaborative power of the Internet. Centro Stile Zagato, an Italian auto design firm, has been using CATIA since 1986 and is now testing CATWeb to distribute design information throughout the company.

Product director Maurizio Azzini sees this as the future evolution of the industry.

His company just designed

a new tram vehicle for the city of Milan in six months.

"Without CATWeb, our proposal would have been less

concrete, and the time might have been twice as long. We were able to reduce time and

costs, with better integration of engineering and development."

Mr. Azzini looks to new technologies as a way of giving his firm a competitive advantage.

"A way of simplifying product development, not complicating it."

Using CATIA for the

design of one of its 1998 cars,

Chrysler found more than

1,500 "part interferences" and fixed them before a

single physical prototype was made. The total number of physical prototypes was reduced from 50 to 27.

With digital prototyping

and effective data management, Chrysler saved at least

\$80 million during one car

program development by

designing and engineering

everything with CATIA, and

reduced development time by

eight months.

"Data management" is as

important as digital design in achieving cost and quality improvements. An effective data management tool is needed to track the input — and the updates — of all the designers, engineers and suppliers involved in auto development. Without automatic access to updated information, the time costs of updating a model (if possible at all) may outweigh the benefits of digital mock-ups.

And product cycles are shorter than ever. Instead of developing three cars in 10 years, today's engineers may produce 10 models in two years, says IBM's Mr. Schaefer.

At the same time, profit per vehicle in Germany has increased, he notes, thanks to "good management practices, the technology to drive them and the people to operate them."

MASS-PRODUCED, BUT CUSTOM-MADE

Auto plants are being reorganized for "just-in-time" and sequenced production.

When plans were announced for the first Mercedes factory in the United States in 1993, two prestigious reputations were laid on the line. One was that of Daimler-Benz AG (now part of DaimlerChrysler); the other was IBM's.

From the beginning, the factory was designed to create a new way of producing cars, with innovation built into the basic premise.

"The stakes were high for both teams if things didn't work out," says Wayne Zeek, product executive, IBM global services, who helped design the plant.

Mercedes wanted to be successful with their new venture and was willing to try out

new manufacturing concepts to make it work. IBM had been eager to develop a long-term partnership on a high-visibility project and agreed to an unusual compensation arrangement (based partly on the number of vehicles produced) to prove its point.

Today, 65,000 vehicles per year are produced, but the demand has been so great for the M-Class sports vehicle that capacity is being increased to 80,000 vehicles per year. And another assembly plant is being prepared in Austria to produce 30,000 more.

Together, Mercedes and IBM created a fully integrated, enterprise-wide information technology system to support the plant's business processes.

Such a comprehensive technology solution — including consultation, system implementation and ongoing support — had never been implemented by an automaker so quickly (in just over three years).

Mass customization is made possible, in part, by automated line-control systems. These systems contain the data for every car coming down the line, including

which features it should

have. They used to be proprietary, but the trend today is to standardized systems, such as IBM's AutoView, a precursor of which is used at the Alabama plant.

U.S. manufacturers are taking the lead but "all ALC systems will be moving in this direction in the next three to five years," says Mr. Roller.

AutoView has quality checks built in, plus easy-to-change features so a manufacturer can individualize production based on customer requirements. It will soon be available as a full Java-based solution so it can be interconnected for JIT with suppliers.

In the average car, the manufacturer makes 40 percent of the parts, and the rest are supplied. But this is changing rapidly.

Parts for the Smart Car, introduced less than a year ago, are 90 percent supplied by outside sources, and only 10 percent by (then) Daimler-Benz AG. In 1996, Volkswagen AG opened a truck assembly plant in Brazil on the principle of modular manufacturing, with suppliers on the site.

CAR SALES GO ON-LINE

In August, Mercedes became the first car manufacturer to sell its cars directly over the Internet, says James McQuivey, an analyst who covers automotive sales for Forrester Research, a technology research firm. The offer was made only to customers in the United States who were planning to pick up a car in Germany and drive it around Europe, then ship it back to the States.

Buying directly on-line may be the wave of the future. But for now, indirect on-line sales — in which the buyer does research over the Internet and is then referred to a dealer for delivery — is changing the auto-distribution landscape.

In 1997, 135,000 cars in the United States were bought that way. Some experts estimate that 40 percent of auto buyers will do research on the Internet in five years, notes an IBM executive, Friedrich Christeiner. And an Arthur Andersen study estimates that by 2004, the Internet will play a role in one out of three car sales in Europe.

"The fact is that customers hate going to showrooms and being subjected to sales tactics," says Mr. McQuivey. "Dealers still tend to see Internet leads as a threat," he says. "They need to realize that Internet prospects are different from the average customer. They are already halfway through the sales cycle."

FOR MORE INFORMATION ON e-BUSINESS:

Contact IBM by e-mail at kbusquet@fr.ibm.com or

by fax at +33 1 41 88 52 50.

For examples of European e-business initiatives, consult <http://www.europe.ibm.com/nc/customer>.

Look for the "Business to e-Business" series on

NASDAQ NATIONAL MARKET

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						100s High	Low	Close	Chgce
Stocks	Div Yld	100s High	Low	Close	Chgce				
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Airtronics II		452.00	437	474	+17				
Altra		520.00	500	549	+49				
Altria		125.00	120	124	+4				
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INTERNATIONAL HERALD TRIBUNE, MONDAY, DECEMBER 14, 1998

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MONDAY, DECEMBER 14, 1998

Silicon Duo To Take On Microsoft

Sun and Oracle Move To Simplify Computers

By John Markoff
New York Times Service

SAN FRANCISCO — Sun Microsystems Inc. and Oracle Corp., Microsoft Corp.'s archrivals, will announce Monday a partnership to build appliance-like computers that hide the complexity of the operating system from computer users.

The agreement is the first step in a strategy outlined by Oracle's chairman, Lawrence Ellison, in his battle to unseat the company whose Windows and Windows NT operating systems dominate the computer industry, doing away with the operating system almost entirely.

The agreement, which covers technology-sharing and marketing, is based on a cross-licensing agreement the two companies signed this month that gives Oracle the ability to use a portion of Sun's Solaris operating system to create simple server computers that will come pre-configured to run Internet and office database applications.

The agreement also permits Sun to add Oracle's database to its operating system for a management application.

The agreement specifies that both companies will use each other's key technologies in limited ways so as not to compete directly, according to a copy of the agreement made available to The New York Times.

The new strategy is a refinement of Mr. Ellison's original attempt to convince corporate computer managers to simplify their computing networks by doing away with personal computers on workers' desktops and replacing them with a simpler terminal called a network computer.

Novell Inc., Sun, Netscape Communications Corp. and a number of other Microsoft rivals had begun plotting an alternative computing environment to the personal computer in 1995 based on inexpensive "desktop" computers that would download software via corporate networks.

Network computing has been slow in developing in part because of the dramatically falling cost of personal computers and in part because most of network computers have been slow to offer a commercially viable system.

Mr. Ellison and his allies have not given up. In its most recent variation, the network computing idea calls for the centralization of almost all computing tasks, so that users' computers will run only a web browser, or possibly just display the output of a program running on a server computer.

Last month Mr. Ellison said Oracle planned to introduce a new version of its Oracle 8 database program that he said would be sold by PC server companies, such as Compaq Corp., Sun Microsystems, Hewlett-Packard Co. and Dell Computer Corp. as a plug-in appliance within a visible operating system.

At the time Mr. Ellison said that he had been in talks with those companies but that licensing terms had not been settled on.



Boeing's President Harry Stonecipher, left, and Chairman Philip Condit have had a choppy year capped by weak profit predictions. "No one could have run this place successfully for the last year," said Mr. Stonecipher.

CYBERSCAPE

With Go, Disney Enters the 'Portal' Wars

By Saul Hansell
New York Times Service

NEW YORK — A 19-year-old college student sat alone with a computer as a commanding voice echoed through the windowless room.

"Now go to No. 5," the voice said. "Find out what the weather is like in San Jose."

The student was taking part in a test of the Go Network, Walt Disney Co.'s answer to Yahoo! Inc., America Online Inc. and all the other "portals" to the Internet — entry points to a world of information, largely self-contained cyberuniverse.

Indeed, Disney will deploy everything from its cruise ships to its theme parks to trumpet Go, just as it stretched its every synergistic muscle for "A Bug's Life," its current hit movie.

Why bother?

Disney is entering a crowded field in which big media companies have repeatedly rounded — most notably its rival Time Warner Inc., whose pioneering *Animatrix* portal has struggled as more number of Internet companies have moved ahead.

At first glance, Disney's offering has little to distinguish it from the leading portal, Yahoo, which sets the standard for being fast, easy to use and loaded with fancy features — news, financial data, electronic mail, chat groups and the like. America Online incorporates those same features in the Internet access it provides to half of America's wired homes, and it just agreed to buy Netscape Communications Corp., largely for its popular Internet portal. Other rivals abound, including Excite, Lycos, Microsoft Corp.'s MSN and Snap, which is backed by General Electric Co.'s NBC unit.

And given that hardly any of these businesses are profitable, Disney, with so many opportunities in movies, television and theme parks — could have found easier ways to get a return on its investment.

Still, the Disney chairman, Michael Eisner, has personally orchestrated much of the Go initiative, down to selecting its traffic-light logo.

He concluded that Disney had no choice but to enter the fray. "We want to be a relevant company," he said last week. "I don't want to have our company be in the railroad business while people are flying overhead in airplanes."

Contrary to much of the evidence so far, Mr. Eisner is betting that "content" — the information and entertainment created by Disney — will give Go an edge over Yahoo and its kin, which

and on Disney's cable channels.

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Contrary to much of the evidence so far, Mr. Eisner is betting that "content" — the information and entertainment created by Disney — will give Go an edge over Yahoo and its kin, which

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Indeed, Disney will deploy everything from its cruise ships to its theme parks to trumpet Go, just as it stretched its every synergistic muscle for "A Bug's Life," its current hit movie.

Why bother?

Disney is entering a crowded field in which big media companies have repeatedly rounded — most notably its rival Time Warner Inc., whose pion-

ering *Animatrix* portal has struggled as more number of Internet companies have moved ahead.

At first glance, Disney's offering has little to distinguish it from the leading portal, Yahoo, which sets the standard for being fast, easy to use and loaded with fancy features — news, financial data, electronic mail, chat groups and the like. America Online incorporates those same features in the Internet access it provides to half of America's wired homes, and it just agreed to buy Netscape Communications Corp., largely for its popular Internet portal. Other rivals abound, including Excite, Lycos, Microsoft Corp.'s MSN and Snap, which is backed by General Electric Co.'s NBC unit.

And given that hardly any of these businesses are profitable, Disney, with so many opportunities in movies, television and theme parks — could have found easier ways to get a return on its investment.

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CAPITAL MARKETS ON MONDAY

Money Market Funds Outsell Stock Funds in '98

Bloomberg News

NEW YORK — U.S. money market mutual funds are taking in far more cash than their stock fund rivals for the first year since 1990, according to an industry report.

A record \$210.1 billion poured into money funds in the first 10 months of 1998, 47 percent more than the \$142.7 billion that went into stock funds, the Investment Company Institute reported.

The trend accelerated in November as an estimated \$44 billion was invested in money funds, while about \$12.2 billion flowed to equity funds, according to analysts' estimates. The institute, the industry's trade group, will release its November fund report this month.

It said the amount of assets under money fund management topped a record \$1.4 trillion this week.

"It's an awful lot of money that could

one day be invested in stocks so the surge in money fund buying is actually a positive sign for stocks," said Peter Crane, managing editor of IBC Financial Data Inc., a research firm in Ashland, Massachusetts.

The last time money funds attracted more net new investments than equity

INVESTING

funds was eight years ago when about \$23.2 billion was invested in money funds and about \$12.8 billion went into stock funds, according to the institute.

The year 1990 also happened to be the last year the U.S. benchmark stock index — the Standard & Poor's 500 — fell. The index declined 3.1 percent in 1990.

This year, the S&P 500 was up 20.2 percent, meaning most investors were better off owning stock funds than

money funds. The annual return for the average money fund is closer to 5.1 percent this year, according to IBC Financial.

Money funds have grown in popularity as many investors are expecting corporate profit growth to slow in 1999, and as a result, stock market gains may be more limited.

"Next year is going to be tougher to make money owning stocks," said Robert Doll, director of equity investments at Oppenheimer Fund Inc., who helps oversee almost \$50 billion in assets. "High valuations, combined with disappointing earnings, will limit market gains."

While the possibility of a market decline worries many investors, there is also a more technical reason to help explain the big increase in money fund inflows, Mr. Crane said.

Money market funds are taking busi-

ness from banks, where regulations cut into the rates that banks can pay investors for money market deposit accounts and certificates of deposit, said Mr. Crane, who tracks the business.

By law, banks must set aside cash against all deposits to meet Federal Reserve requirements and must comply with other costly regulations, he said.

The result is that bank rates are lower. Money market rates offered by money management firms are about twice as high on average as banks' federally insured money market deposit accounts, he said.

Among funds open to individuals, Strong Investors Money Fund was the taxable fund with the highest seven-day yield at 5.47 percent, according to IBC Financial. By contrast, the yield of the average money market deposit account is 2.32 percent.

The purchase of money funds picked up in July when volatility in the U.S. stock market increased as economic woes spread from Russia to Brazil.

Since then, the money funds attracting the most money include Merrill Lynch CMA Money Fund, Schwab Value Advantage Money Fund, Smith Barney Cash Portfolio, Fidelity Cash Reserves and Vanguard Prime Money Fund, IBC Financial reported.

Meanwhile, U.S. investors and analysts said they were looking for another year of solid returns in 1999, even as stocks retreat from records and a Who's

of big companies warn of disappointing profits.

The analysts argue that market-friendly trends of late will not abate. Interest rates may continue falling, investors will continue pouring money into mutual funds, and the "year 2000 problem" will buoy technology spending — all as Asian economies recover, they said.

People will begin to see global economic growth rebounding, which will be good for corporate profits and good for stocks," said Tom Galvin, chief investment officer at Donaldson, Lufkin & Jenrette Inc., a New York investment company.

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Dec. 11. Prices quoted by Telekurs.

Risk Name Cpn Maturity Price Crd Yld

Australian Dollar

169 Australia Gov 6% 11/5/06 113.0860 5.9400

Australian Schilling

136 Germany zero 01/15/99 99.7000 3.0100

138 Treasfund 7 11/25/99 103.3700 5.7500

149 Germany 5 01/04/99 107.4000 4.4500

154 Germany 5 01/04/99 107.4000 4.4500

157 Dutch State 4% 12/08/05 101.4000 4.9800

160 Deptf 4% 07/15/08 104.4500 4.5500

161 Germany 7 07/09/99 102.8564 4.8100

174 Germany FRN 3/29/03 101.4000 4.9200

176 Deptf 5 02/03/05 104.5000 4.9200

177 Germany 7 02/03/05 103.5000 7.3000

189 Germany 6% 09/15/99 102.2000 4.7200

194 Germany 7 11/20/99 103.3700 5.7500

202 Germany 5 05/09/00 109.5000 4.9800

220 Germany 7/12/20/99 103.5711 4.8500

227 Germany 6% 07/21/99 101.7700 4.6300

234 Treasfund 6/4/97/2000 103.2000 6.0000

241 Denmark 5 02/03/99 102.2000 4.9200

242 Finland 4% 11/15/99 101.4684 3.6900

243 Deptf 4% 01/15/99 99.7700 4.5100

Belgian Franc

185 Belgium Tolls zero 03/15/99 95.1942 3.2200

245 Belgium zero 03/25/99 92.1085 3.1300

British Pound

.61 Anrl Fin No 4 zero 01/01/03 22.1250 4.2000

.71 Anrl Fin No 4 2/20/03 22.3250 4.4000

.81 Britain 7 07/15/00 107.5100 6.5100

124 Fin Resid Four 11/15/00/30/50 5.6250 6.5200

175 Anrl Fin No 4 FRN 7/22/22 94.4347 8.0700

178 Anrl Fin No 4 12/07/00 107.5100 6.5100

181 Britain 7 12/07/00 105.9700 6.6100

203 Britain 7 11/06/01 105.9700 6.6100

225 Britain zero 04/24/28 93.7147 0.0000

244 EIB 6% 12/07/08 108.4789 5.7600

Danish Krone

28 Denmark 8 03/15/06 123.6300 6.4700

32 Denmark 7 11/15/00 120.0300 5.8300

44 Denmark 6 11/15/00 109.0000 5.2600

51 Denmark 6 05/01/00 109.0000 5.2600

67 Denmark 6 12/07/00 101.9000 5.6900

70 Denmark 6 11/15/02 105.2000 5.6000

74 Denmark 7 11/15/02 102.2000 5.5000

78 Denmark 7 12/07/02 103.5000 6.4700

123 Denmark 6 02/05/99 100.0000 5.3200

134 Denmark 4 01/05/01 100.1400 3.9900

142 Denmark Do 10/04/00 100.0000 6.0000

178 Denmark Tolls zero 08/29/99 73.2476 4.1200

Deutsche Mark

1 Germany 6 07/04/02 115.5000 5.1900

3 Germany 7 11/15/00 109.0000 5.2600

4 Germany 6 11/15/00 109.0000 5.2600

5 Germany 8 01/21/99 113.6743 7.0400

6 Germany 8 07/22/02 115.6400 6.9200

7 Germany 8 01/21/99 113.6743 7.0400

8 Germany 5/9/02/99 113.9154 6.8300

9 Germany 3/9/01/99 106.1300 3.2500

10 Germany 4/9/01/99 104.4799 4.7100

11 Germany 4/9/01/99 104.4799 4.7100

12 Germany 7 11/15/02 101.8188 6.3500

13 Germany 7/12/2003 101.7964 3.6900

14 Germany 7/12/2003 101.4113 4.3500

15 Germany 7/12/2003 101.1000 7.9900

17 Germany 7/12/2003 101.1000 7.9900

18 Germany 7/12/2003 101.1000 7.9900

19 Germany 7/12/2003 100.2000 6.1300

20 Germany 4/6/01/00 101.1000 3.9500

21 Germany 4/6/01/00 101.1000 3.9500

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31 Germany 4/6/01/00 101.1000 3.9500

32 Germany 4/6/01/00 101.1000 3.9500

33 Germany 4/6/01/00 101.1000 3.9500

34 Germany 4/6/01/00 101.1000 3.9500

35 Germany 4/6/01/00 101.1000 3.9500

36 Treibund 7/09/99 6.2400 5.2000

37 Germany 6/14/01/24 123.9271 5.8400

ECU

38 France 6% 04/26/98 110.8645 4.7400

39 France BTAN 6% 07/20/03 104.5700 4.2000

40 France OAT 6% 04/25/07 102.5700 4.5000

41 France 6% 07/04/08 102.5700 4.2000

42 France 6% 07/04/08 102.5700 4.2000

43 France 6% 07/04/08 102.5700 4.2000

44 France 6% 07/04/08 102.5700 4.2000

4

Total Aims to Stay Lean in Mean Times

By John Tagliabue
New York Times Service

Total SA's fan club sent up a groan Dec. 1, when the news broke that the company had agreed to buy Petrofina SA of Belgium for \$1.15 billion, in stock.

Analysts blanched at the rich 37 percent premium that Total, the No. 2 oil company in France, had agreed to pay. They complained that Total was betraying a proven strategy — a concentration on exploration and production, the more profitable upstream parts of the oil business — by buying the downstream-heavy Belgian company with its refineries, chemical plants and gas stations.

Jeremy Hinde of Salomon Smith Barney, slashed his rating of Total from "outperform" to "underperform," saying the Petrofina deal "raises questions about Total's future." And investors drove the stock price down 11 percent in a day.

But Total's chairman, Thierry Desmarest, says they groaned too soon. When markets reacted sourly to the Petrofina deal, Mr. Desmarest flew to London and New York to make his case to money managers. Within a week, Total had doubled its estimates of the cost savings it will wring from the new company, and he was projecting that Total's earnings per share would grow 1.6 or 17 percent a year, from 15 percent.

Investors may not believe it yet — Total's stock finished the week at 557 francs (\$100.77), 21 percent below its last close before the merger announcement — but the company's track record suggests that those promising cost and profit figures are not just wishful thinking.

In Mr. Desmarest's five years as chairman, Total has shown how a European oil company can excel, increasing production, sales and profits in an era of slumping oil prices. Even in the first half of 1998, when the industry was watching a quarter of its earnings evaporate, Total managed to hold its own damage to less than 5 percent of net income.

Achievements like that have made Total popular with British and American fund managers, who hold 42 percent of its shares. Total stands out in a country noted for cosseted state-owned industries that hemorrhage cash, well-run investor-owned companies like it are scarce.

The contrast with Elf Aquitaine SA, France's largest oil company, is stark. Despite strides toward competitiveness since its privatization in 1991, Elf has an "air of French administration," said Gérard de Gillet, analyst Société Générale in London. "Total is free enterprise."

If so, it is largely because of Mr. Desmarest's thick-skinned pragmatism for getting productivity up while keeping costs down, coupled with an entrepreneurial audacity that does not shy from tough decisions. Last year, in the face of a firestorm of criticism and threats from the United States, he signed

a \$2 billion agreement to develop the South Pars gas fields in Iran; he won his wager when Washington backed down and waived sanctions.

Of course, much has changed at Elf under Philippe Jaffre, who became chairman around the time Mr. Desmarest took the helm at Total and has since made his own considerable headway in cutting costs.

But productivity at Elf continues to lag far behind Total. Last year, Total produced \$584,000 of revenue for each employee, while Elf managed only \$365,000. And Total posted an operating margin of 6.1 percent of revenue, compared with Elf's 2.2 percent.

Before becoming chairman, Mr. Desmarest oversaw Total's worldwide exploration and production. Since 1993, he has secured promising exploration rights in Nigeria, Indonesia and Latin America.

Such aggressive exploration pushed up Total's crude-oil production to 780 million barrels last year, 44 percent more than in 1990. The acquisition of Petrofina will add 240 million barrels a year.

In some ways, the Petrofina acquisition undoes a streamlining move that Total made last year, when it sold its refineries and gas stations in North



Thierry Desmarest, Total's chief, says expansion will boost profits.

America to Ultramar Diamond Shamrock Corp. Total said last Thursday that it would seek a buyer or partner for some of Petrofina's U.S. refineries and gas stations as well.

But Mr. Desmarest makes no apologies for the overall thrust back into refining and retailing. "Over the next five years, our concern was to have our downstream pole strong enough," he said. "It's important to keep sufficient balance."

Trust & Banking Co. is one candidate widely mentioned. China Trust, which is also considered in weak condition, had been in merger talks with Nippon Credit.

The Nikkei Keizai Shimbun, the leading Japanese business newspaper, said that the nationalization showed the government's resolve to clean up the banking crisis. An American fund manager said the move could be a turning point in Japan's efforts to get rid of its weak banks.

DaimlerChrysler Fuels Merger Talk

Reuters

SEVILLE, Spain — Speculation about consolidation in the European defense industry heated up over the weekend, with DaimlerChrysler Aerospace AG of Germany and British Aerospace PLC holding merger talks but saying that no announcement was imminent.

In Seville, where DaimlerChrysler executives were meeting, a company spokesman confirmed the talks. When he was asked whether something could be announced before Christmas, he replied, "It's very, very difficult to say."

The two companies have repeatedly said that they are in talks with each other and with Aerospatiale of France on integrating the European defense and aerospace industry to make it more competitive with U.S. rivals. A two-way merger would create Europe's biggest aerospace and defense group, with combined sales of over \$23 billion.

A British newspaper, meanwhile, reported that General Electric Co. had made a last-minute plea to BAe to scuttle its plans with the German company and conclude an all-British merger instead. GEC, responding to the report in the Sunday Telegraph, said a number of options were being considered.

SHORT COVER

Rubin Stays Upbeat

On U.S. Economy

WASHINGTON (Reuters) — The outlook for the U.S. economy remains good, despite economic problems still gripping Russia and some countries in Asia, the U.S. Treasury secretary, Robert Rubin, has said.

"We've really come through this very well so far. I think that if you look out into the next year, the most likely scenario will be solid growth and low inflation," Mr. Rubin said in a taped interview with CBS that was broadcast Saturday.

He said different countries faced different sets of problems around the world after financial turmoil that started in Asia and spread this year to Russia.

He also said, "It is absolutely critical, in my judgment, for the economic well-being of the rest of the world that Japan get back on track."

ruling Institutional Revolutionary Party and the opposition National Action Party voted in favor of the initiative to shore up banks' finances and on a plan to pay for the bank bailout fund. The initiative, approved on a 325-159 vote, establishes a Bank Deposit Insurance Institute to manage the bank bailout fund.

Gulf Producers Reject Libya's Call for Freeze

KUWAIT (Bloomberg) — Gulf oil producers have rejected Libya's call for the Organization of Petroleum Exporting Countries to suspend all oil exports to bolster near-record low prices.

Kuwait's oil minister, Sheikh Saud Nasser al Sabah, said the call was "simply an attempt to increase oil prices" with radical proposals.

Kuwait's official press agency, KUNA, reported on Sunday.

Mexican Lawmakers Agree to Fund Reform

MEXICO CITY (Bloomberg) — Mexico's two largest political parties agreed to a reformulated \$61 billion bank bailout fund, ending a nine-month impasse over the plan to rescue the country's beleaguered lenders.

In a weekend session in the lower house of Congress, most members of the

LG to Restructure

SEOUL (Bloomberg) — The LG Group will move ahead with a promised restructuring through a purchase of LG Metal Co. by LG Industrial Systems Co. for about 2.09 trillion won (\$1.73 billion) in stock and assumed debt.

The group, South Korea's fourth-largest diversified company, said last week it planned to slash the number of its subsidiaries to 30 from 53 by the end of 1999.

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Acceptances of the Offer should be made at the banks listed below where the Prospectus of the Offer and Acceptance Form are available:

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INTERNATIONAL HERALD TRIBUNE, MONDAY, DECEMBER 14, 1998

This table shows the performance of Handicapped funds through Friday and includes the 4,900 funds in Janes' of mutual funds. There are roughly 4,150 funds currently listed on Handicapped.

NAV is the net asset value; i.e. the portfolio value divided by the number of shares outstanding, recovered by the Fund through Investors, NAV.

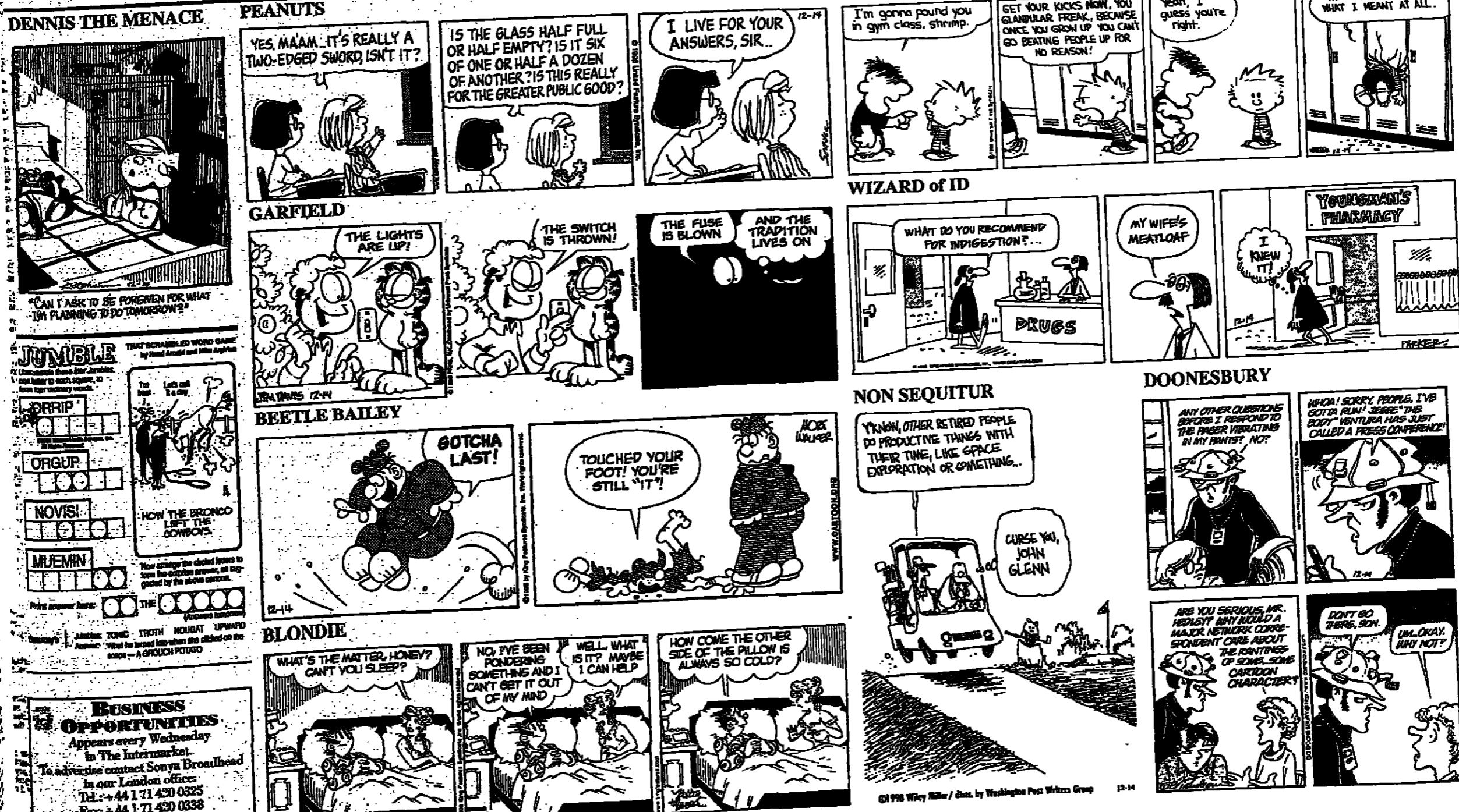
Name field footnotes: c - variable-only share
contractual plan; n - no front-end load or cushion
charter equity load; l - load assets are used for
variations from the previous Friday.

Price field indicator: n - no credit price change;
p - previous day's equivalent; u - adjustment up;
d - adjustment down.

NASDAQ NATIONAL MARKET

(Continued)

CALVIN AND HOBBS



SPORTS

Heisman Trophy Goes to Ricky Williams

Texas Running Back Says It's His Team, Not Just Himself, That Deserves Top Honors

By Joe Drape
New York Times Service

NEW YORK — Ricky Williams ran away with the most coveted prize in college football.

The University of Texas running back was named the 1998 Heisman Trophy winner Saturday night at the Downtown Athletic Club in New York City by the fourth-largest margin of victory in the 64-year history of the award.

"I didn't grow up dreaming of playing in the NFL," Williams said. "I grew up dreaming of playing college football. This is a very special moment."

Williams captured 2,355 points and was the overwhelming first choice. The Kansas State quarterback, Michael Bishop, was second with 792 points. Cade McNown of UCLA was third with 696 and Tim Couch of Kentucky was fourth with 527 points.

Williams's 714 first-place votes,

to 41 for Bishop, were the third-most in the award's history, behind O.J. Simpson in 1968 and Charlie Ward in 1993.

Williams said his feelings were hurt last year at not being invited to the Heisman ceremony despite his status as the leading rusher in college football — in his junior season.

He returned for his senior year and finished it owning all or part of 16 National Collegiate Athletic Association Division I records, including most career rushing yards — 6,278 — which Tony Dorsett held for 22 years until Williams's final game of the 1998 season.

But his biggest achievement may be expanding the perception of how a Heisman Trophy winner looks and acts. Off the field, he looks like a rap singer with his dreadlocks, the stud in his tongue and the four tattoos, the most colorful, being the Mighty Mouse on his arm.

"He was so humble," Williams said, remembering Walker on the 50th anniversary of the former Southern Methodist star's Heisman victory. "He kept fighting back through good and bad. It's the way I want to live my life."

Williams even wants to change

(102 kilogram) bulldozer who prefers to use his 4.3-second speed in the 40-yard dash to run over defenders, rather than around them.

Williams is a gifted athlete who spends summers as an outfielder in the Philadelphia Phillies organization, but whose eventual goal is to put an education degree to work teaching elementary school. He speaks engagingly of the evolution of the reggae star Bob Marley, but is just as enthusiastic while discussing the legacy of Doak Walker, the 1948 Heisman winner whom Williams befriended a year ago and helped comfort during his paralysis after a skiing accident. Walker died this autumn.

"He was so humble," Williams said, remembering Walker on the 50th anniversary of the former Southern Methodist star's Heisman victory. "He kept fighting back through good and bad. It's the way I want to live my life."

Williams even wants to change

what the Heisman means. He struggled off the fact that the trophy was the greatest individual honor in college football. "I disagree," he said. "It's a team award. You can't become a finalist without the effort and hard work of the whole team. The best part of this whole season is that I was part of a Texas team that won eight games."

Mack Brown, the new Texas coach, turned Williams's Heisman campaign into a team crusade. The Longhorns upset Nebraska, 20-16, in Lincoln behind Williams's 150 yards and a touchdown-saving tackle he made on an interception, which turned the game around. Cornhusker fans were so impressed that many stayed to give Williams a standing ovation as he left the field.

Texas beat Oklahoma in a game made more poignant by Williams, who received permission to wear No. 37 — Walker's number — at the Cotton Bowl in Dallas, where the SMU star played his home games.



Admet Nadal/Agence France-Presse
Ricky Williams, foreground, waiting for the Heisman Trophy winner to be named. Behind him are some of the other leading contenders for the award.

In Baseball's Salary Swoon, Instant Wealth from Shrewd Bargaining

Dodgers Make Brown Contract King: 7 Years, \$105 Million

By Jason Diamond
New York Times Service

NASHVILLE, Tennessee — Kevin Brown became baseball's first \$100 million player when he agreed to a seven-year contract with the Los Angeles Dodgers.

Brown's deal, for a total of \$105 million, gives him both the biggest overall contract in baseball and the biggest annual salary at \$15 million a year.

The previous records were anything but ancient history. The record for the biggest contract was set less than two months ago when Mike Piazza agreed Oct. 23 to \$91 million, seven-year contact with the New York Mets. The record for the largest annual salary was set when Mo Vaughn agreed Nov. 25 to a \$13.3 million-a-year deal with the Anaheim Angels.

Only 19 years ago, Nolan Ryan became the first player in baseball to be paid the now routine salary of \$1 million a year.

Brown may not last long as the record-holder. Roger Clemens, the five-time Cy Young Award winner, is expected to be traded by the Toronto Blue Jays during the baseball winter meetings here, and any such trade would require a new contract for him. It is

believed that he was waiting for Brown's deal to be completed before he agreed to a proposal.

The Brown deal, announced Saturday, likely will give the owner of the Dodgers, Rupert Murdoch, the biggest payroll in baseball. It now stands at \$89 million, a 24 percent increase from the Baltimore Orioles' major-league record \$72 million payroll of last season.

Murdoch has the money, though, and the Dodgers apparently felt they could not afford to let Brown get away after losing out to the Arizona Diamondbacks in the bidding for the left-handed pitcher Randy Johnson two weeks ago.

Murdoch's Fox Group paid a then-record \$31 million to buy the Dodgers in March, only to see the team fail to reach the playoffs for the second season in a row.

"Kevin has taken a good team and put them in the World Series before," his agent, Scott Boras, said Friday. "He just may take a club to the next level."

Brown, a 33-year-old right-handed pitcher, went 18-7 with a 2.38 earned run average to help lead the San Diego Padres to the World Series, where they were swept by the Yankees. A year earlier he was 16-3 with a 2.69 ERA and helped the Florida Marlins win the World Series.

"It's no surprise that Kevin's stature

in this game and this market certainly has exceeded others," Boras said. "Usually it's two or three clubs. In this case, there were five or six teams seriously involved."

The Dodgers outbid the Baltimore Orioles, the Colorado Rockies, the St. Louis Cardinals and the Padres. The Cardinals apparently dropped out after it became clear that it would take at least a six-year contract to sign Brown.

The Orioles were believed to have offered a \$100 million, seven-year contract, but that apparently only served to increase the ante for Brown, who had pitched with the Orioles in 1995 and apparently did not want to sign with the team again.

When the Dodgers responded with a seven-year offer of their own, the decision became an easy one for Brown.

The Dodgers also were able to assuage one of Brown's major concerns — how much he would be able to see members of his family, which lives in Macon, Georgia — by guaranteeing them a dozen or so flights a season on a Fox corporate jet. They also agreed to his request for a complete no-trade clause.

Brown becomes the ace of a staff that also includes Chan Ho Park, Carlos Perez, Ismael Valdes, Darren Dierktor and Dave Mlicki.

Players' Agents Are Winning the War at the Negotiating Table

By Buster Olney
New York Times Service

NASHVILLE, Tennessee — Scott Boras, the agent responsible for negotiating Kevin Brown's record-setting \$105 million contract, went through law school and honed his skill as a haggler with nearly two decades of experience. His approach would bankrupt him in a free market, but it works in baseball.

The approach would bankrupt him in a free market, but it works in baseball. When a team makes an offer, Boras says, "No." He does not make a counteroffer; he just tells the team its offer is not good enough. He does not make a specific demand.

Boras just says no. And he waits.

Incredibly, most teams continue to forward blind bids to Boras, whose tactics are being adopted by other agents, and the blind bids redefine the salary structure. The agents say no, teams increase their bids in increments of tens of millions of dollars, and baseball's competitive disparity worsens. Brown's annual salary of \$15 million for the Los Angeles Dodgers will be nearly double the payroll of the Montreal Expos next season. If he pitches 220 innings, he will earn \$68,182 per inning.

Sandy Alderson, executive vice-president of Major League Baseball, leaned against a door in the press room here just

after the Dodgers announced the deal Saturday. Alderson wore a slight smile, his expression somewhere between bemused and disgusted, and made it very clear that the contract appalled him. As the payrolls escalate, he said, more and more teams in baseball's middle class will be inclined to slash their payrolls and not bother pretending to be competitive.

Alderson does not fault the proficiency of the agents or the incompetence of those negotiating for the teams, saying only that the agents understand how to exploit the competitiveness of the big-market teams. But Alderson was being far too charitable: The teams have been incompetent in negotiating.

Consider this example. The Yankees offered Bernie Williams a five-year, \$60 million deal. Boras, who represents Williams, said no, not good enough. The Arizona Diamondbacks' first bid to Williams: eight years, \$100 million, with much deferred money that reduced the actual value. Boras said no. The Boston Red Sox stepped in with a seven-year, \$30.5 million offer. Boras said no.

Finally, the Yankees offered Williams a seven-year, \$87.5 million deal, a package \$50 million greater than they offered a year ago.

"There was no haggling with Boras. He kept saying no. The Yankees went

from \$37.5 millions to \$60 million to \$87.5 million.

Most executives around baseball maintained that few teams would seriously contend with the Mets for the services of the catcher Mike Piazza. The Mets extended a six-year, \$78 million deal offer, a package worth \$15 million more than any deal given to a position player, a staggering bid. Piazza's representatives said no. The Mets increased their offer by a year and \$13 million; his seven-year, \$91 million deal was a record for exactly 47 days. The Dodgers surpassed that record by about 15 percent with their deal for Brown.

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A year ago, Diamondbacks officials met to consider all their options for a starting shortstop, and they generated a list that had Jay Bell at the top. Bell is an aging, steady shortstop with above-average offensive ability. Jerry Colangelo, the Diamondbacks' owner, called Boras, who represents Bell, and offered a five-year, \$34 million deal; executives with other teams estimated Bell's worth to be little more than half of that.

For once, Boras had said yes immediately. He knows a good deal when he hears one.

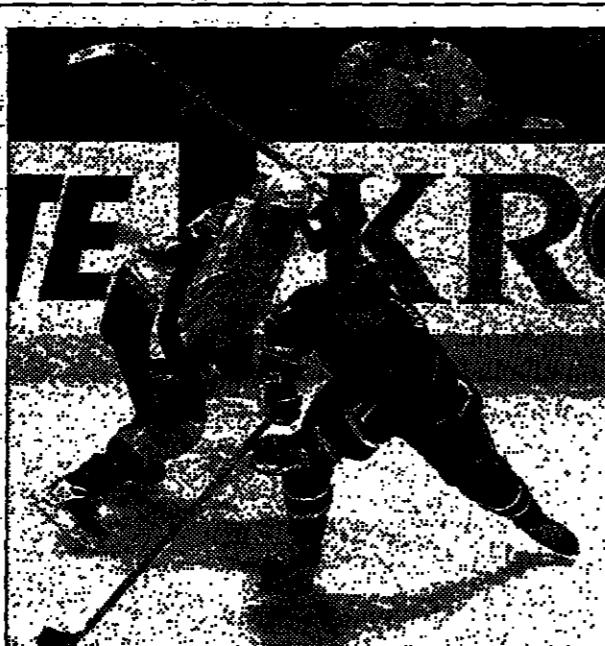
Teams, on the other hand, are still trying to understand what a good deal is.

Hurricanes Give Fans A Present

The Associated Press

Keith Primeau, scored against his old team, and the Carolina Hurricanes rewarded the first sellout crowd in their 58-game history with a 3-0 victory over Detroit.

Ray Sheppard added a goal and an assist Saturday night, and **Arturs Irbe** got his third shutout of the season as Car-



Saku Koivu of Montreal, right, steals the puck from Rob Valicevic of Nashville. The teams drew, 2-2.

NBA Situation Bad, Especially for Black Fans

Vantage Point/MICHAEL WILSON

P.J. Carlesimo. Now this. I am angry. White fans may be don't know how much it is that has to do with owners, but because those same black NBA players are the highest-paid players in sports.

There are other real problems that young black players in many cases aren't aware of or don't give a damn about. One, the money that serves as the NBA's lifeline doesn't come from black pockets. Black folks in most cities (Washington and Detroit are the exceptions) can't afford to spend \$7.5 a seat, a night, to watch NBA games. Corporate money drives the NBA. White

television networks pay the bulk of the \$2.6 million average salary, for six months.

I'll go as far as to say — somewhat reluctantly — that the NBA may be close to surpassing the church as the No. 1 passion in black America. A single black mother said to me the other day, with hurt all over her face, "I make \$30,000. Out of touch, indeed. Actually, most of the young stars have never been in touch.

Overwhelmingly, the most famous of them didn't go to black schools, don't patronize black professionals or trade with black businesses.

And now it's many of the same ones, having run as far away from black people as possible, who now want to play. "Help me, now I'm black."

The second problem is this: It's not just white folks who

are these idiots?" You see, white people may be annoyed when they hear NBA players say, "We're fighting for our survival." Black people see red.

These are youngsters who come from communities where the most important members of the neighborhood — the teacher, the policeman, the grocery store owner — are lucky to make \$30,000. Out of touch, indeed. Actually, most of the young stars have never been in touch.

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If common sense prevails, both will veer just enough to avoid disaster. But if they collide, head-on, cancel the season, both sides will get what they deserve.

Hopes for Season Fade as Talks Break

The Associated Press

NEW YORK — The latest session of National Basketball Association labor talks lasted just 30 minutes.

The abrupt end to the meeting Saturday signaled that the 1998-99 season is more serious jeopardy than ever. It appears certain that an NBA season — if there is one — could not begin until the end of January or early February.

After the meeting, one of the shortest since the lockout began nearly six months ago, Commissioner David Stern, Deputy Commissioner Russ Granik and their legal team emerged

dwarfed from the offices of the lawyers that represent the players' union.

"We're getting nowhere," Granik said. "We learned today that basically nothing has changed at all."

A union attorney said the players had told the owners what concessions they were prepared to make but that such concessions were not enough for the owners. No new talks are scheduled.

"The reality is that the issues we raised were extremely significant and pertinent, but they continue to be intransigent," said Billy Hunter, the union's director.

"We're trying, we'll continue to try, but

it's still a situation where it's necessary for us to fall on the sword. We're being extremely reasonable, but how much is enough? That's the issue."

Stern, for his part, said of the meeting: "If it was worth it, we would have stayed. We have to go back and report to ownership that we're quite far apart."

The sides are still at odds on the biggest issue of all — what percentage of revenues should be devoted to salaries. "Nothing has moved on this track from Day One," Granik said, "and despite the passage of time, it didn't move today either."

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Herald Tribune INTERNATIONAL SPORTS

MONDAY, DECEMBER 14, 1992

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WORLD ROUNDUP

Victory for Maier

SKIING Hermann Maier won the World Cup Super-G in Val D'Isere, France, on Sunday by more than a second.

The double Olympic champion charged down the drizzly, fog-shrouded course in 1 minute, 18.73 seconds, more than a second ahead of his nearest rival, Stephan Eberharter, an Austrian teammate who clocked 1:19.91.

Lasse Kjus, the winner of the Saturday downhill on the same course, was third in 1:20.10. (AP)

Abidjan Takes Title

SOCCER ASEC Abidjan of Ivory Coast beat visiting Dynamos of Zimbabwe, 4-2, Sunday in the final of the African Champions league.

Donald Vasanago scored twice as ASEC took a four-goal lead. Dynamos replied with two goals in the last 30 minutes. The first leg, in Harare, had ended 0-0. (AP)

English Batting Wilts

CRICKET England's batting collapsed Sunday on the third day of the third test against Australia in Adelaide.

England's middle and lower order batting disintegrated before lunch against Stuart MacGill's often-victorious leg spin bowling and the pace bowling of Glen McGrath.

The visitors lost seven wickets for 40 runs to be all out for 227. Australia reached 150 for one in its second innings for a lead of 314.

Yousaf Yohanna scored an elegant first test century to give Pakistan a 142-run first innings lead on the fourth day of the second test against Zimbabwe on Sunday in Lahore.

But the final session was lost because of bad light, and the match looked destined to end in a draw.

Allan Donald, the South African fast bowler, took five wickets Saturday as South Africa beat the West Indies by 178 runs in the second test.

West Indies was all out for 141 in its second innings in Port Elizabeth and trails 2-0 in the five-match series. (Reuters)

DiMaggio Gage Doctors

BASEBALL Joe DiMaggio came out of his coma and told his doctors to shut up.

Two days after awakening from a coma, DiMaggio ordered doctors Sunday to stop giving public updates on his recovery from lung cancer surgery and pneumonia.

Doctors said Friday that the Hall of Famer was close to death. Sunday he was trying to recapture the privacy he has always cherished. "He was very angry," said Dr. Earl Barron, who heads the team treating DiMaggio, 84. Dr. Barron said he could no longer comment on DiMaggio's health. (AP)

U.S. Team Thrashed In the Presidents Cup

International Golfers Gain Their First Victory

The Associated Press

MELBOURNE — The match between Tiger Woods and Greg Norman was only for show Sunday in the Presidents Cup. Two hours before the final putt was conceded, the Champagne already was pouring for the International team after the massacre in Melbourne.

The International team won its first Presidents Cup on a rainy Sunday at Royal Melbourne Golf Club, 204-11½. Not even Woods' 1-up victory over Norman could keep the United States from its worst loss in the history of match play.

"We creamed them," said Steve Elkington, the Australian golfer.

"They played some of the most unbelievable golf," said Jack Nicklaus, the U.S. captain. "Wow."

Until Sunday, the worst loss in U.S. history was 16½-11½ to Europe in the 1983 Ryder Cup at The Belfry, which turned out to be the start of European domination in those matches.

Not this week. And particularly not at Royal Melbourne.

"We came in here as underdogs and came out showing the force of international golf," Norman said.

"We used to think golf was only played in the United States," Nicklaus said. "We didn't even invent it. I'm not even sure how well we play it anymore."

The International team had lost the first two Presidents Cups, both played in the United States.

The United States barely managed to put up a fight, despite having the top

from last time," Parry said. "We wanted to have Champagne in our mouths tonight."

Shigeki Maruyama from Japan won the hearts of the Australian gallery and carried the International team by winning all five of his matches. Only Mark O'Meara in 1996 had gone 5-0 in the Presidents Cup.

"It wasn't a question of beating America," Price said. It was a question of winning that Cup. We want that trophy."

Some of the best matches of the day didn't even matter — Woods holding off a late charge by Norman, Fred Couples and Vijay Singh playing to a draw and Mark O'Meara winning 1-up over Stuart Appleby.

Peter Thomson, the International captain, described the U.S. team as the "greatest collection of golfers in the world" during the opening ceremonies.

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OLYMPICS: Veteran Member Says IOC Votes Are Routinely Bought and Sold by Agents

Continued from Page 1

and Nagano had been compelled to circumvent the rules in their successful bids to host the 1996 Summer Olympics and 1998 Winter Olympics.

Billy Payne, who led Atlanta's bid, and Makoto Kobayashi, the general secretary of the Nagano Organizing Committee, dismissed those claims. Payne told The Associated Press that Atlanta made "no payments, direct or indirect" to IOC members.

Hodler also said Gianni Agnelli, the Fiat tycoon, had given out free vans to encourage International Ski Federation voters to select Sestriere, an Italian resort, as host of the 1997 skiing World Championships.

Fiat issued a statement claiming the allegations were "completely false."

Although some American ski officials corroborated part of the allegation, Hodler quickly amended his comments, saying he meant "no harm to the Agnelli family, which has been a great friend of skiing."

The issue of vote-buying came to the fore because of the recent disclosure of scholarship payments made to six relatives of IOC members by Salt Lake City officials during their successful bid to host the 2002 Winter Games.

The Salt Lake Organizing Committee has said the payments came from a

privately financed \$500,000 fund started in 1991, the year it lost the bidding for the 1998 Games to Nagano.

Frank Joklik, the committee's president, issued an apology for the scholarships Sunday and said: "With hindsight, I believe this program should not have been part of the bid campaign."

Samaranch excluded the possibility of taking the Games from Salt Lake City.

Dick Pound, an IOC vice president, has been appointed to head a committee investigating allegations against Salt Lake City.

Samaranch said: "If necessary, we will expel members if this ad hoc commission thinks these members are guilty."

On Sunday, Pound said the IOC had been "concerned for some time" about agents. "What seems to be developing is a professional class of Olympic agents offering services to Olympic bid committees," he said.

Hodler wants a revision of the selection process that would strip the right to select Olympic cities from the general IOC membership and give it to the 11-member executive board, potentially in conjunction with the small committee that evaluates bids on technical merit.

"No revolution has been possible without scandals," Hodler said. "I am hoping that out of this scandal something better will grow."

Samaranch agreed that the IOC should examine changing the method of choosing Olympic hosts. To change it would require a two-thirds majority of the full IOC membership, which next meets in June in Seoul.

"This system we have now is very complicated, very slow and very expensive," Samaranch said.

On Sunday, when pressed for further comment inside the well-polished halls of Olympic headquarters, Hodler covered his mouth and said: "Muzzle imposed by the president."

Hodler is one of only four IOC members with life membership because he was appointed before age limits were imposed in 1966. Asked if he might resign, he said: "I'm not going to resign, but I might be expelled. You never know. I was already expelled once."

Hodler was suspended from the IOC in 1968 by the president at the time, Avery Brundage, for defending professionalism in skiing. But Samaranch, 78, who is not a life member, said he had no intention of squeezing out his long-time ally. He also said he had not asked Hodler not to speak with the press but had reminded all the executive board members that the only official spokesman for the IOC were himself and Francois Carrard, the director-general.

"I have great respect for Mr. Hodler," said Samaranch, who did ex-

press surprise that Hodler had gone public with his allegations before presenting them to the executive board.

Hodler's comments came after Bruce Baird, an Australian politician formerly in charge of Sydney's successful bid for the 2000 Summer Olympics, told the Sydney Morning Herald that he was approached by someone who told him he could secure African votes in exchange for bribes. But Baird and John Costes, the president of the Australian Olympic Committee who was part of the bid team, said that no bidding rules were broken by Sydney officials.

"For me it's hard to believe, but I give them the benefit of the doubt," Hodler said.

Hodler also defended the bidding cities. "They have been the victims, not the villains," he said. In reference to the Salt Lake City bid, he said: "We should thank them for not having paid out money but only scholarships."

IOC rules forbid cities to give IOC members or relatives any gifts or benefits other than souvenirs or small presents for a value which should not exceed \$150 per person.

Asked why he had decided to make his allegations when he did, Hodler said,

"We are just at the moment where we have to save the principles of honesty and ethics in sports in general and the IOC in particular."

Giants Stun Broncos to End Denver Streak

The Associated Press

EAST RUTHERFORD, New Jersey — The Denver Broncos' dreams of becoming the first NFL team since 1972 Miami Dolphins to go undefeated ended Sunday when Kenner Graham threw a 37-yard touchdown pass to Arman Toomer with 43 seconds left to give the New York Giants a 20-16 victory.

The game-winning catch came in the back of the end zone with Toomer out-leaping Tim Paul. For a second, the

NFL Roundup

officials looked at each other, discussing whether Toomer's feet were in bounds. Then the back judge, Kirk Dorrian, signaled the touchdown.

Replays showed the call was correct, unlike a week ago when the officials blew a last-minute call to give the New York Jets a victory over the Seattle Seahawks in a game also at Giants Stadium.

Until the late heroics, the Broncos seemed headed for their 14th straight victory and an NFL record 19th straight over two seasons, thanks to yet another John Elway-led comeback.

He engineered a 76-yard drive in seven plays with Terrell Davis (28 for 147 yards) putting the Broncos ahead, 16-13, with a 27-yard run with 4:08 to play.

Packers 26, Bears 22 In Green Bay, Dorsey Levens rushed for 105 yards as the injury-riddled Packers beat the Bears. Levens, in his third game back from a broken leg, helped the Packers beat the Bears for the ninth straight time, the longest dominance of the NFL's oldest rivalry. The Bears won eight in a row from 1985-88.

Redskins 28, Panthers 26 Skip Hicks rushed for 55 yards and two touchdowns and the Redskins extended their late-season surge with a 28-25 victory over the host Panthers.

Buccaneers 20, Steelers 19 in the playoff race after appearing all but eliminated three weeks ago, the Bucs beat visiting Pittsburgh in the rain for their first three-game winning streak of the season.

Mike Alstott scored on a 3-yard run and a defense that has regained its bite over the past month forced the Steelers to make five turnovers. Pittsburgh has not scored a touchdown in nine quarters.

Cards 20, Bengals 17 After missing a 34-yard field goal at the end of regulation, Chris Jacke kicked a 32-yard, 4½ minutes into overtime, giving the Cardinals a victory over host Philadelphia.

Marshall Faulk, the NFL leader in yards from scrimmage, had a pair of first-half touchdown runs, and his 15 yards rushing and 39 yards receiving pushed his total yardage this season to 2,090.

Cardinals 20, Eagles 17 After missing

a 34-yard field goal at the end of regulation, Chris Jacke kicked a 32-yard, 4½ minutes into overtime, giving the Cardinals a victory over host Philadelphia.

Berlin Holocaust
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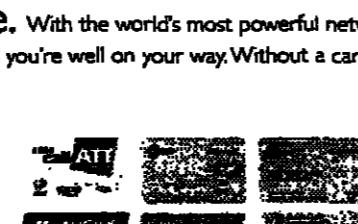
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